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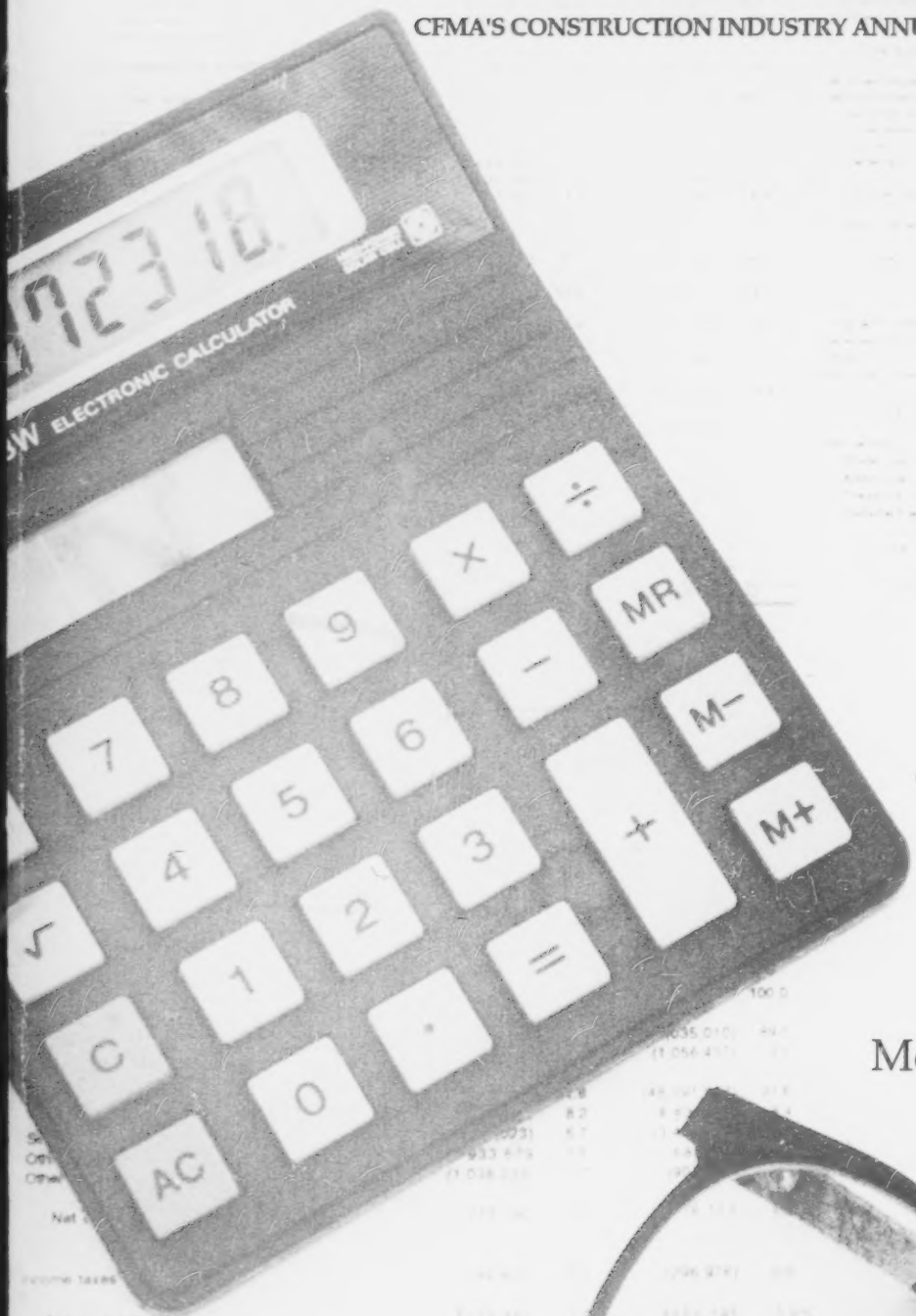
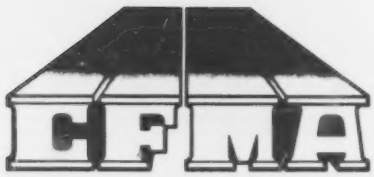
CONSTRUCTION INDUSTRY PERFORMANCE FOR 1990

CFMA'S CONSTRUCTION INDUSTRY ANNUAL FINANCIAL SURVEY



Construction's Most Focused and Useful Report



CONSTRUCTION FINANCIAL MANAGEMENT ASSOCIATION

CFMA Construction Industry

Annual Financial Survey 1990

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Construction Financial Management Association,
40 Brunswick Avenue, #202
Edison, N.J. 08818

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CONSTRUCTION FINANCIAL MANAGEMENT ASSOCIATION

CONSTRUCTION INDUSTRY ANNUAL FINANCIAL SURVEY

1990

Table of Contents

Letters to Members 1

Description of Survey 2

Executive Summary 3

Definitions of Key Terms 11

Overall Results of the 1990 Financial Survey 17

- A Corporate Profile 19
- Accounting Methods and Policies 35
- Financial Data 42

Industrial and Nonresidential Contractors 53

Heavy and Highway Contractors 85

Single Family and Residential Contractors 118

Specialty Trades Contractors 145

Other contractors 177

Special Classifications 205

For those who are not familiar with CFMA, the following will provide some background.

The Construction Financial Management Association (CFMA) is a non-profit organization dedicated to serving the financial professional in the construction industry. Since its inception in the spring of 1981, the group has grown from a handful of financial executives with a common notion, to an organized and rapidly growing industry association with membership approaching 5,000 at this printing.

The Association organizers sought to provide a forum for communication among construction financial managers and a source of educational programs directed to their specific needs. With regard to educational programs, the Association believes that it is filling a void between the various financial associations whose programs rarely deal with the unique aspects of the construction industry and the industry association which do not exclusively address the financial aspects of the business.

The CFMA has expanded throughout the country and Canada and now has membership in most states. The group's expansion program involves the formation of local chapters and it is now in the process of vigorously promoting this activity. Presently, chapters are formed and operating in more than 60 areas.

Since its inception, the Association has sponsored high quality educational programs including national conferences each year. CFMA, together with its local chapters, will continue to sponsor these programs as well as develop and provide its membership with additional services. Through the activities of committees such as its Tax Committee, Washington Interest Program, and Accounting & Reporting Committee, the CFMA responds to issues affecting the construction industry and communicates the impact of these issues to its membership. The Association also publishes a bi-monthly magazine, **CFMA BUILDING PROFITS**, and the definitive desk reference, **Financial Management and Accounting for the Construction Industry**.

General membership in the Association is open to all types of contractors including generals, subs, developers & others. In addition, through Associate membership, participation is open to other interested parties including lawyers, public accountants, bankers, insurance carriers and agents, surety producers, and material and equipment suppliers. This somewhat unique characteristic of the CFMA provides a new and beneficial source of positive communication.

CFMA Membership Application

Type of membership requested

❑ **General Member** ❑ **Associate Member**

NAME: _____
LAST FIRST MI

NICKNAME FOR BADGE: _____

HOME ADDRESS: _____
STREET

_____
CITY STATE ZIP

EDUCATION (Indicate degrees held and major area of study):

_____

_____

OTHER PROFESSIONAL CREDENTIALS:

(List i.e. CPA, Attorney, CMA, etc.)

_____

_____

CHAPTER AFFILIATION

The Chapter operating in my area is indicated below. Upon approval of my membership, please consider me to be affiliated with this Chapter.

Chapter Name: _____

Introduced to CFMA by: _____

CFMA Dues $ _____

Chapter Dues $ _____

Total enclosed $ _____

COMPANY NAME: _____

ADDRESS: _____

_____
CITY STATE ZIP

PHONE: ( ) _____ **FAX: ( )** _____

POSITION/TITLE: _____

GENERAL MEMBERS
(Check one only)

- ❑ General Contractor
- ❑ Sub-Contractor
- ❑ Architect/Engineer
- ❑ Real Estate Developer
- ❑ Construction Management
- ❑ Other (Explain)

_____

_____

_____

ASSOCIATE MEMBERS
(Check one only)

- ❑ Public Accounting
- ❑ Banking
- ❑ Insurance Carrier
- ❑ Insurance Agency
- ❑ Law Practice
- ❑ Supplier-Equipment
- ❑ Supplier-Materials
- ❑ Other (Explain)

_____

_____
SIGNATURE DATE

NOTE: Annual dues are $100.00 for the Association year ending March 31. Persons applying for membership after October 1, should remit one half of the annual amount or $50.00. Please return this completed application together with your check for dues to:

Construction Financial Management Association, 40 Brunswick Avenue, Suite 202, Edison, NJ 08818 (201) 287-2777

Contributions or gifts to Construction Financial Management Association are not tax deductible as charitable contributions. However, they may be tax deductible as ordinary and necessary business expenses.

LETTER TO USERS OF

CONSTRUCTION FINANCIAL MANAGEMENT ASSOCIATION

CONSTRUCTION INDUSTRY ANNUAL FINANCIAL SURVEY

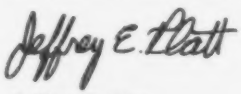
The Construction Financial Management Association (CFMA) is proud to present the results of its second Construction Industry Annual Financial Survey. This comprehensive survey provides our membership with a wealth of information about our industry, our business practices and our financial well being. The CFMA Construction Industry Annual Financial Survey represents yet another "product" to help our members be more successful.

The overall response to our 1989 survey exceeded all expectations. This year, the response of the survey grew by almost 40%! We are very pleased with the increase and hope that in future years the survey response rate will become even greater. By increasing the level of response, we will gain a better representation of our membership and improve the value of the survey. I thank those members who responded to the survey and encourage each of you to participate next year.

The survey results represent all types and sizes of contractors, from all regions of the country. The results are truly representative of our general members and show a trend of growth and profitability. For instance, we now have data that tells us the major accounting methods and policies used by our membership. Additionally, we know what major employee benefits are most commonly provided, those that are least common, and what is the most frequently used method of accounting for construction joint ventures.

The survey data is too comprehensive to summarize in this short letter, so I encourage you to read carefully the entire survey. I am sure you will find it worth your time.

Respectfully submitted,



Jeffrey E. Platt
President

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DESCRIPTION OF SURVEY

The CFMA Construction Industry Annual Financial Survey results are presented in the form of financial statement information, financial ratios, tables, charts, graphs, and narrative discussion and analysis. An Executive Summary is included and definitions of key terms and criteria used for classification purposes follow. This information is followed by the formula and interpretation of twenty financial ratios used throughout the survey.

First, the overall results of the survey are presented, then the data is presented by five major type classifications of contractors responding to the survey. For each of the five classifications the survey data is presented for the specific type of contractor compared to the overall results for all companies responding to the survey. Financial information is presented for each type of contractor, then this data is presented on a geographic region basis and finally, on a basis of annual contract revenue.

The survey data is intended to provide a source of information for the entire group of respondents first, then on specific segments of the entire group. Therefore, the need of the individual reader of the survey will determine which section will be most useful. There are limited comparisons of data among the five major classifications of contractors because it is believed that it is more important to analyze the survey results within each classification.

The CFMA Construction Industry Annual Financial Survey is not intended, nor does it, provide a statistically valid representation of the construction industry as a whole. The CFMA Construction Industry Annual Financial Survey is representative of the approximately 2,200 general member firms having membership in CFMA.

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EXECUTIVE SUMMARY

Purpose

The 1990 CFMA Construction Industry Annual Financial Survey is the second published survey by CFMA. The survey was conceived from the desire among contractors for financial information upon which to compare their companies. The need for comparability extended beyond financial statement information and included the choice of significant accounting methods and the policies of applying those methods. Also, there was a desire for comparability of general company data including employee benefits, various business practices, and contractor opinions on key business issues. The CFMA 1990 Financial Survey Questionnaire was designed to obtain this information.

The survey was sent to approximately 2,200 CFMA general members in May 1990. The response rate was an overwhelming 36%. Of the 795 survey participants, 46% (365 companies) participated in the CFMA survey in 1989 and 87% (695 companies) provided detailed financial statement information. All companies responding to the survey provided information on accounting methods and policies and general data in a variety of areas covering company practices and opinions.

Form of Presentation

The survey responses were grouped into five classifications of contractors based on the type of contracting work performed. The five classifications are **Industrial and Nonresidential, Heavy and Highway, Single Family and Residential, Specialty Trades, and Other.**

Overall survey results are presented first without regard to the specific type of construction performed. Then the survey results are presented by the five classifications of contractors. Financial data is presented in total for each specific classification, then on a geographic regional basis and finally on a basis of annual contract volume.

OVERALL SURVEY RESULTS

General Data

The companies responding to the 1990 survey represent predominantly privately owned businesses (93%). The companies are typically regular corporations (68%), except for the Single Family and Residential companies which are 49% regular corporations and 51% S corporations and partnerships. All classifications are dominated by contractors performing as the general contractor, except the Specialty Trades classification which is 87% subcontractors. Consistent with the 1989 survey, the companies included in the survey represent long standing companies. Eighty-two percent of respondents have been in business at least 10 years and twenty-eight percent have been in business over 50 years. The respondents perform very little work (less than 1%) outside the U.S. The majority of the respondents perform work in designated regions, only 2% are considered diversified (National) in that they perform less than 33% of their work in any region. The geographic regions in the U.S. and the percentage of work performed by the survey respondents in each are as follows.

Region	Percentage of Total Work Performed
Northeast	23%
Southeast	18%
Midwest	18%
Southwest	6%
West	10%
Far West	22%
Foreign	1%
National	2%
Total	100%

The work performed by the survey respondents is generally for private industry (70%) as compared to the public sector (30%) of federal, state, and local governments. Only the Heavy and Highway classification performed over 50% of their work for the public sector. Open shop contractors make up 48% of the companies responding

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while 41% of respondents indicated that they are a union contractor. The remaining 11% of companies operate as double-breasted contractors.

The most common benefits provided for salaried employees included paid vacations (99%), medical insurance (97%), life insurance (88%), sick leave (67%), long-term disability insurance (58%), maternity leave (57%), and dental insurance (59%). The least common benefits provided salaried employees included 401K matching (32%), "cafeteria plan" insurance (24%), optical insurance (17%), and child care assistance (2%). Employee assistance programs, a relatively new employee benefit, was provided by 16% of companies responding to the survey.

The most common benefits provided for hourly employees included paid vacation (58%), medical insurance (73%), life insurance (58%), sick leave (32%), long-term disability insurance (29%), maternity leave (32%), and dental insurance (42%). The least common benefits provided hourly employees included 401K matching (23%), "cafeteria plan" insurance (18%), optical insurance (12%), childcare assistance (1%), and employee assistance programs (13%).

Profit sharing plans represent the most common form of employee benefit plan representing 53% of companies included in the survey. Bonuses paid to employees, regardless of their level within the company, are predominantly determined on a discretionary basis compared to formula or goal attainment type criteria. Eighty-eight percent of respondents perform some bonded work.

The percentage of companies with substance abuse testing increased from 22% in 1989 to 30% in 1990. The most common times for testing were pre-employment testing (83%) and testing for cause (83%).

The survey respondents indicated that only 15% of all companies are self-insured. Approximately one-fourth of all companies in the Heavy and Highway classification are self-insured. For those companies indicating some self-insurance programs are in place, the most common self-insured area is health insurance.

The most common cash management banking arrangement is the zero balance account, represented by 47% of companies responding. Another 36% of respondents have savings accounts and 32% have interest earning accounts.

Retainages are decreased after a specific completion stage is reached for 39% of those responding. Another 32% of responding companies incur a level retainage with no reduction or interest earned. The remaining 29% have retainages held on only a portion of pay estimates, retainages earning interest or have securities held in lieu of retainage.

Annual financial statements are usually audited (74%). If the annual financial statements are not audited they are reviewed (19%) or compiled (4%) by an independent CPA firm. Only 3% of all companies do not have an independent CPA involved with their annual financial statements. Interim financial statements are predominantly internally prepared with less than 20% of respondents involving outside CPA firms. Most companies (62%) use a calendar year end while 14% have a fiscal year end of March 31 and 13% use September 30 as their fiscal year end.

Approximately one-half of the companies responding to the survey in May 1990 expect growth in revenue in the next year while approximately one in four anticipate a decrease in revenue. One in five (19%) believe contract volume will remain flat. In 1989, almost two-thirds of the companies responding expected growth in revenue in the next year.

The survey respondents indicated that the most challenging financial areas facing the construction industry include insurance (workers compensation, medical, life, etc.), manpower needs, litigation, surety bonds, and federal tax legislation.

Accounting Methods and Policies

Almost all companies (93%) included in the survey recognize contract revenue and profit in accordance with the percentage of completion method of accounting. Two-thirds of these companies recognize contract profits as soon as work begins while the remaining one-third defers profit recognition until contract performance reaches a stage when ultimate profits can be better estimated.

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Contract claims for additional revenue are generally not recognized in the financial statements until settlement is imminent. Approximately one-third (35%) of the respondents recognize claim revenue in the period that the claim is settled while another 19% do not recognize claim revenue until it is received. Forty - six percent of respondents recognize claims when the claim settlement is probable.

There does not appear to be a dominant accounting practice for unpriced change orders. Approximately one-half (51%) of the survey respondents recognize estimated unpriced change order revenue and the related cost in the current accounting period. The remainder of companies (49%) included in the survey defer unpriced change orders, costs and profits until the accounting period in which the change order is priced.

Approximately 44% of survey respondents had participated in a joint venture within the prior twelve months. The accounting method most used for reflecting investments in joint ventures was the equity method (51%), followed by full consolidation (14%). The remaining 35% used other methods.

The most common form of contract entered into is the fixed price contract (58%). The Heavy and Highway classification performs 44% of their work under unit price contracts. Almost 60% of all contracts entered into are completed within twelve months and 96% are completed within twenty-four months.

Two-thirds of all respondents use straight line depreciation of property, plant, and equipment while the remaining one-third use accelerated depreciation methods. Contractors with inventories use the first-in first-out method of valuation in 43% of responses. Specific identification (21%) and average cost (24%) methods are the next most common methods of inventory valuation.

Financial Information

Financial statement information for all 695 companies responding to the 1990 survey includes composite (weighted average) balance sheets, statements of earnings, and twenty financial ratios. **Financial statements and percentage totals may not add correctly due to rounding.**

The composite financial information is also presented by the five classifications of contractor based on the type of work performed. The five classifications and number of companies included for each are as follows:

Classification	Number of Companies	Percentage
Industrial and Nonresidential	291	42%
Heavy and Highway	132	18%
Single Family and Residential	32	5%
Specialty Trades	213	31%
Others	63	9%
	731	105%
Number of companies included in more than one classification	(36)	(5%)
	695	100%

Composite balance sheets, statements of earnings, and financial ratios are included on the following pages for comparative purposes. Composite financial statement information and ratios for each classification by geographic region and various size categories are included in separate sections. A special classification section includes data for publicly owned contractors, minority business enterprises, large national contractors, and foreign owned contractors.

The composite balance sheet for all companies included in the survey, has total assets of $25.1 million and a net worth of $7.7 million. Total revenues are $66.6 million and net income after taxes is approximately $1.0 million or 1.4% of revenues. Return on assets is 3.8% and return on equity is 12.6% for all companies on a composite basis. The current ratio is 1.4 and the quick ratio is 1.1 for all companies.

The Industrial and Nonresidential contract classification has the largest composite balance sheet ($33.6 million total assets), however, its net worth ($8.4 million) was only third highest of the five classifications trailing

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Heavy and Highway ($11.7 million) and Single Family and Residential ($8.8 million). The Industrial and Nonresidential contractor classification has the highest composite total revenue ($106.9 million). The Single Family and Residential classification, with only 5% of the total companies, has the highest level of composite net income ($3.3 million or 10.2% of revenue), return on assets (13.2%), and return on equity (36.9%). The highest current ratio (1.8) is also found in this classification but the highest quick ratio (1.4) is in the Heavy and Highway classification.

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COMPARATIVE FINANCIAL DATA

BALANCE SHEET
Most Recent Year-End

	All - Composite		Ind. & Non-Res Composite		Heavy Composite		Single Family Res. Composite		Specialty Composite		Other Composite	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Current Assets												
Cash and cash equivalents	$2,530,789	10.1%	$3,926,772	11.7%	$2,561,640	9.6%	$1,608,821	6.5%	$742,145	5.9%	$2,420,038	11.0%
Marketable securities and short-term investments	767,926	3.1	1,085,910	3.2	1,368,527	5.1	101,080	0.4	146,137	1.2	314,863	1.4
Receivables:												
Contract receivables currently due	7,574,169	30.1	10,462,606	31.2	6,511,493	24.3	1,775,677	7.2	5,330,361	42.6	7,049,028	32.0
Retainages on contracts	2,366,140	9.4	3,908,790	11.6	1,533,837	5.7	244,416	1.0	1,438,317	11.5	1,350,031	6.1
Unbilled work	524,983	2.1	843,881	2.5	403,844	1.5	34,628	0.1	363,747	2.9	182,137	0.8
Other receivables	833,392	3.3	807,730	2.4	1,052,944	3.9	1,139,348	4.6	157,006	1.5	391,138	1.8
Less allowance for doubtful accounts	(59,324)	0.2	(31,711)	0.1	(61,335)	0.2	(6,010)	0.0	(84,762)	0.7	(67,244)	0.3
Total receivables, net	11,239,360	44.7	15,991,297	47.6	9,440,782	35.2	3,186,059	12.9	7,234,669	57.8	8,905,091	40.4
Inventories	1,470,588	5.8	581,049	1.7	1,420,292	5.3	10,256,846	41.5	540,151	4.3	3,115,409	14.1
Costs and recognized earnings in excess of billings on uncompleted contracts	1,404,934	5.6	2,159,000	6.4	1,138,443	4.2	168,562	0.7	885,457	7.1	1,038,023	4.7
Investments in construction joint ventures	315,227	1.3	370,861	1.1	224,047	0.8	1,782,571	7.2	60,341	0.5	135,000	0.6
Other current assets	827,707	3.3	1,318,363	3.9	562,848	2.1	120,045	0.5	379,867	3.0	747,025	3.4
Total current assets	18,556,530	73.8	25,433,253	75.7	16,716,579	62.3	17,225,985	69.8	9,988,717	79.8	16,675,450	75.6
Property, plant and equipment	8,565,284	34.1	8,360,029	24.9	18,937,313	70.6	8,597,036	34.8	3,590,071	28.7	5,841,907	26.5
Less accumulated depreciation	(3,886,339)	15.5	(3,046,768)	9.1	(10,668,089)	39.8	(1,613,949)	6.5	(1,979,565)	15.8	(2,466,997)	11.2
Property, plant and equipment, net	4,678,945	18.6	5,313,261	15.8	8,269,224	30.8	6,983,087	28.2	1,610,505	12.9	3,374,910	15.3
Other assets	1,718,891	6.8	2,753,033	8.2	1,632,023	6.1	487,803	2.0	577,664	4.6	1,970,803	8.9
Intangible assets	186,427	0.7	1,523	0.2	204,397	0.8	40,618	0.2	343,435	2.7	38,002	0.2
Total Assets	$25,140,792	100.0%	$33,581,069	100.0%	$26,822,223	100.0%	$24,737,494	100.0%	$12,520,321	100.0%	$22,059,165	100.0%
Current liabilities												
Current portion of long-term debt	$979,292	3.9%	$506,359	1.5%	$1,232,119	4.6%	$5,102,036	20.6%	$533,552	4.3%	$2,503,338	11.3%
Accounts payable												
Trade, including currently due subcontractors	5,526,081	22.0	9,209,250	27.4	3,741,632	13.9	2,151,235	8.7	2,346,315	18.7	4,724,073	21.4
Subcontractor retainages	1,550,569	6.2	3,353,813	10.0	478,649	1.8	190,307	0.8	135,072	1.1	930,976	4.2
Other	523,220	2.1	908,294	2.7	250,363	0.9	83,622	0.3	220,808	1.8	179,691	0.8
Total accounts payable	7,599,870	30.2	13,471,357	40.1	4,470,643	16.7	2,425,163	9.8	2,702,195	21.6	5,834,739	26.5
Accrued expenses	1,600,855	6.4	2,087,537	6.2	1,498,733	5.6	996,132	4.0	1,137,294	9.1	1,567,161	7.1
Billings in excess of costs and recognized earnings on uncompleted contracts	2,112,588	8.4	3,255,391	9.7	1,651,658	6.2	665,161	2.7	1,207,090	9.6	1,089,572	4.9
Income taxes												
Current	184,973	0.7	205,405	0.6	132,552	0.5	24,479	0.1	80,815	0.6	231,924	1.1
Deferred	169,430	0.7	172,888	0.5	285,153	1.1	75,341	0.3	157,163	1.3	326,835	1.5
Total income taxes	354,403	1.4	378,292	1.1	417,705	1.6	99,820	0.4	237,978	1.9	558,760	2.5
Other current liabilities	618,744	2.5	527,593	1.6	433,404	1.6	86,965	0.4	871,379	7.0	597,792	2.7
Total current liabilities	13,265,751	52.8	20,226,529	60.2	9,704,261	36.2	9,375,278	37.9	6,689,488	53.4	12,151,363	55.1
Long-term debt, excluding current portion	2,155,473	8.6	1,449,353	4.3	4,185,187	15.6	5,002,082	20.2	1,218,185	9.7	3,251,637	14.7
Deferred income taxes	431,384	1.7	716,754	2.1	335,895	1.3	1,039,071	4.2	101,725	0.8	259,646	1.2
Other	837,253	3.3	1,053,090	3.1	861,537	3.2	60,768	0.2	391,610	3.1	127,518	0.6
Minority interests	787,131	3.1	1,765,700	5.3	55,507	0.2	426,865	1.7	14,472	0.1	290,935	1.3
Total liabilities	17,476,993	69.5	25,211,426	75.1	15,142,387	56.5	15,906,065	64.3	8,415,481	67.2	16,081,099	72.9
Net worth												
Stock, par value	716,471	2.8	746,277	2.2	893,812	3.3	807,709	3.3	625,958	5.0	335,629	1.5
Additional paid-in capital	2,029,840	8.1	3,153,381	9.4	1,386,138	5.2	715,306	2.9	843,134	6.7	1,046,523	4.7
Retained earnings	5,395,643	21.5	4,846,482	14.4	10,583,214	39.5	7,617,591	30.8	2,937,840	23.5	4,955,128	22.5
Treasury Stock	(478,154)	1.9	(376,497)	1.1	(1,183,329)	4.4	(309,177)	1.2	(302,091)	2.4	(359,215)	1.6
Total net worth	7,663,799	30.5	8,369,643	24.9	11,679,836	43.5	8,831,429	35.7	4,104,841	32.8	5,978,066	27.1
Total liabilities and net worth	$25,140,792	100.0%	$33,581,069	100.0%	$26,822,223	100.0%	$24,737,494	100.0%	$12,520,321	100.0%	$22,059,165	100.0%
Number of Participants	695		291		132		32		213		83	

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COMPARATIVE FINANCIAL DATA

STATEMENT OF EARNINGS
Most Recent Year-End

	All - Composite		Ind. & Non-Res Composite		Heavy Composite		Single Family Res. Composite		Specialty Composite		Other Composite	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Contract revenue	$63,555,192	95.5%	$102,771,677	96.2%	$45,994,625	96.0%	$19,238,617	60.1%	$31,393,304	96.5%	$51,780,869	95.4%
Other revenue	3,012,327	4.5	4,085,738	3.8	1,904,664	4.0	12,779,314	39.9	482,463	1.5	2,512,645	4.6
Total revenue	66,567,518	100.0	106,857,415	100.0	47,899,289	100.0	32,017,931	100.0	31,875,766	100.0	54,273,505	100.0
Contract cost	(58,162,720)	87.4	(97,533,998)	91.3	(38,763,065)	81.0	(15,293,677)	47.8	(26,128,300)	82.0	(44,381,574)	81.7
Other cost	(2,453,390)	3.7	(3,589,194)	3.4	(1,661,645)	3.4	(8,228,250)	25.7	(528,316)	1.7	(1,338,785)	2.5
Total cost	(60,616,110)	91.1	(101,123,192)	94.6	(40,424,711)	84.4	(23,521,927)	73.5	(26,656,619)	83.6	(45,700,359)	84.2
Gross Profit	5,951,409	8.9	5,734,223	5.4	7,474,578	15.6	8,496,004	26.5	5,219,148	16.4	8,573,166	15.8
Selling, general and administrative expenses	(4,558,451)	6.8	(4,469,660)	4.2	(5,768,833)	12.0	(3,368,859)	10.5	(4,341,095)	13.6	(6,674,626)	12.3
Interest income	415,183	0.6	616,802	0.6	464,842	1.0	293,179	0.9	75,692	0.2	357,544	0.7
Interest expense	(419,123)	0.6	(225,888)	0.2	(936,496)	1.7	(473,335)	1.5	(406,303)	1.3	(484,966)	0.9
Other income (expense), net	5,573	0.0	115,134	0.1	415,133	0.9	(1,326,658)	4.1	(54,163)	0.2	(228,547)	0.4
Net earnings (loss) before taxes	1,394,590	2.1	1,750,601	1.6	1,769,224	3.7	3,620,330	11.3	493,279	1.5	1,542,572	2.8
Income taxes	(432,364)	0.6	(612,728)	0.6	(733,905)	1.5	(360,585)	1.1	(240,072)	0.8	(526,716)	1.0
Net earnings (loss)	$962,226	1.4%	$1,137,873	1.1%	$1,035,319	2.2%	$3,259,745	10.2%	$253,207	0.8%	$1,015,856	1.9%
Number of Participants	695		291		132		32		213		83	

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COMPARATIVE FINANCIAL DATA

KEY FINANCIAL RATIOS
Most Recent Year-End

Liquidity Ratios	All-Composite	Ind. & Non-Res Composite	Heavy Composite	Single Family Res. Composite	Specialty Composite	Other Composite
Current Ratio	1.4	1.3	1.7	1.8	1.5	1.4
Quick Ratio	1.1	1.0	1.4	0.5	1.2	1.0
Days of Cash	13.7	13.2	19.3	18.1	8.4	16.1
Work. Cap. Turnover	12.6	20.5	6.8	4.1	9.7	12.0
Profitability Ratios						
Return on Assets	3.8%	3.4%	3.9%	13.2%	2.0%	4.6%
Return on Equity	12.6%	13.6%	8.9%	36.9%	6.2%	17.0%
Average Times Interest Earned	4.3	8.7	3.1	8.6	2.2	4.2
Leverage Ratios						
Debt to Equity	2.3	3.0	1.3	1.8	2.1	2.7
Revenue to Equity	8.7	12.8	4.1	3.6	7.8	9.1
Asset Turnover	2.6	3.2	1.8	1.3	2.5	2.5
Fixed Asset Ratio	61.1%	63.5%	70.8%	79.1%	39.2%	56.5%
Equity to G & A Expenses	1.7	1.9	2.0	2.6	0.9	0.9
Underbillings to Equity	25.2%	35.9%	13.2%	2.3%	30.4%	20.4%
Average Backlog to Equity	9.8	16.8	3.3	1.7	4.5	10.0
Average Backlog to Working Capital	14.2	27.0	5.5	1.9	5.6	13.2
Average Months in Backlog	13.5	15.8	9.7	5.6	7.0	13.2
Efficiency Ratios						
Days in Accounts Receivable	60.8	53.9	71.0	35.8	81.7	59.1
Days in Inventory	8.7	2.1	12.6	157.0	7.3	24.5
Days in Accounts Payable	45.1	48.0	39.8	37.1	36.5	46.0
Operating Cycle	38.1	21.2	63.0	173.8	60.9	53.7

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DEFINITIONS OF KEY TERMS

COMPOSITE FINANCIAL DATA

This financial data includes balance sheets, statements of earnings, and financial ratios. The balance sheets and statements of earnings represent a weighted average of all companies included in each classification. Percentages are presented for each dollar amount in the financial statements. Due to rounding, the totals may not agree to the sum of various accounts. Such variations are few and insignificant.

The financial ratios are calculated from the composite balance sheets and statements of earnings data. They are not averages of ratios for all companies included in the classification, except where specifically indicated.

AVERAGE FINANCIAL RATIOS

Certain financial ratios are included in the survey that represent the simple average of those ratios for each company reporting financial information in the survey. These ratios are not calculated from the composite (weighted average) financial information because the elements needed to calculate the ratio were not compiled on a composite basis. These ratios are labeled "average" and include Backlog to Equity, Backlog to Working Capital, and Months in Backlog. Times Interest Earned was calculated and labeled "average" in the 1989 survey.

TYPE OF CONTRACTOR

The survey respondents were classified into five categories of construction based on the type of work performed. Classification was based on the level of contract volume completed for various SIC codes. A contractor was included in a classification if at least one third of its annual contract revenue was completed within that classification. The classifications and SIC codes included for each are as follows:

INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS

1531 Operative builders
1541 Industrial buildings and warehouse
1542 Nonresidential construction

HEAVY AND HIGHWAY CONTRACTORS

1611 Highway and street construction
1622 Bridge, tunnel, & elevated highway
1623 Water, sewer, and utility lines
1629 Heavy construction, other

SINGLE FAMILY AND RESIDENTIAL CONTRACTORS

1521 Single-family housing construction
1522 Residential construction

SPECIALTY TRADES CONTRACTORS

1711 Plumbing, heating, air conditioning
1721 Painting, paper hanging, decorating
1731 Electrical work
1741 Masonry and other stonework
1742 Plastering, drywall, and insulation
1743 Terrazzo, tile, marble, mosaic work
1751 Carpentry
1752 Floor laying and floor work
1761 Roofing and sheet metal work
1771 Concrete work
1781 Water well drilling
1791 Structural steel erection

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TYPE OF CONTRACTOR, continued

SPECIALTY TRADES CONTRACTORS, continued

1793 Glass and glazing work
1794 Excavating and foundation work
1795 Wrecking and demolition work
1796 Installing building equipment
1799 Special trade contractors

OTHER CONTRACTORS

6552 Subdividers and Developers
xxxx Construction manager
xxxx Other

GEOGRAPHIC REGIONS

The financial data included in the survey was classified into seven geographic regions. A contractor was included in a region if at least one third or more of its annual contract volume was performed in that region. Using the aforementioned criterion, it was possible for a company to be excluded from all geographic regions if no more than 33% of its annual volume was performed in a region. These companies are included in the category of National Companies. The actual headquarters location of a contractor was not a factor in determining the regional classification. The regions and the states included in each are as follows:

1. **Northeast** - includes the following states:

   (Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont)

2. **Southeast** - includes the following states:

   (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia)

3. **Southwest** - includes the following states:

   (Arkansas, Kansas, Louisiana, Missouri, Oklahoma, Texas)

4. **Midwest** - includes the following states:

   (Illinois, Indiana, Iowa, Michigan, Minnesota, Nebraska, North Dakota, South Dakota, Ohio, Wisconsin)

5. **West** - includes the following states:

   (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming)

6. **Far West** - includes the following states:

   (Alaska, California, Hawaii, Oregon, Washington)

7. **Foreign** - includes all international work.

8. **National** - includes contractors performing less than one third of their annual contract volume in any geographic region.

NUMBER OF COMPANIES

This term represents the number of companies included in a given classification such as a geographic region or type of contractor. Because of the criteria used to determine classifications, there may be situations where the sum of the number of companies in a classification exceeds the total for all companies in that classification. This situation does not distort the analysis of data or conclusions stated in the survey.

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FINANCIAL RATIOS - FORMULA AND INTERPRETATION

One key element in any financial analysis is the comparison of financial ratios. The usefulness of financial ratios is increased as individual ratios are compared to each other over time. For instance, an analyses which explains a change in the current ratio over the past two years will be more useful to the reader than an explanation of the variance between that company's current ratio and a published "industry average" current ratio. The use of financial ratios can be an excellent tool in financial analysis; however, mere comparison to industry averages may have limited value.

The primary benefit of financial ratio analysis lies in determining the cause of changes in ratios over time. Industry averages of various ratios can be useful as a beginning benchmark for comparison purposes and as an indication of industry competition. The interpretation of financial ratios provided below is not intended to represent all possible interpretations and is only an example of how these ratios may be used. There may be other interpretations of these financial ratios.

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Liquidity Ratios

Ratio	Formula	Interpretation
Current Ratio	Current Assets / Current Liability	Indicates the extent to which current assets are available to satisfy current liabilities. Usually stated in terms of absolute values (i.e., 2.1 to 1.0 or simply 2.1). Generally, a minimum current ratio is 1.0 which indicates that current assets at least equal current liabilities.
Quick Ratio	Cash & Cash Equivalents + Short-term Investments + Receivables, net / Current Liabilities	Indicates the extent to which the more liquid assets are available to satisfy current liabilities. Usually stated in terms of absolute values, a quick ratio of 1.0 is generally considered a liquid position.
Days of Cash	(Cash & Cash Equivalents) x 360 / Revenue	Indicates the number of days revenue in cash. Generally, a ratio of 7 days or more is considered adequate.
Working Capital Turnover	Revenue / Working Capital (Current assets-current liabilities)	Indicates the amount of revenue being supported by each $1 of net working capital employed. A ratio exceeding 30 may indicate a need for increased working capital to support future revenue growth.

Profitability Ratios

Ratio	Formula	Interpretation
Return on assets	Net Earnings / Total Assets	Indicates the profit generated by the total assets employed. A higher ratio reflects a more effective employment of company assets. This ratio is generally stated in terms of percentages (i.e., 10% return on assets).
Return on Equity	Net Earnings / Total Net Worth	Indicates the profit generated by the net assets employed. This ratio reflects the stockholders' return on investment and is generally stated as a percentage. A very high ratio may indicate an undercapitalized situation or conversely, a very profitable company!
Times Interest Earned	Net Earnings + Income Taxes + Interest Expense / Interest Expense	Indicates the company's ability to meet interest expense from operations. A low ratio may indicate an over-leveraged situation and a need for more permanent equity.

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Leverage Ratios

Ratio	Formula	Interpretation
Debt to Equity	Total Liabilities / Total Net Worth	Indicates the relationship between creditors and owners. Generally, a ratio of 3 or lower is considered acceptable.
Revenue to Equity	Revenue / Total Net Worth	Indicates the level of revenue being supported by each $1 of equity. Generally, a ratio of 15 or less is considered acceptable.
Asset Turnover	Revenue / Total Assets	Indicates the level of revenue being supported by each $1 of assets. By reviewing the trend of this ratio one can determine the effectiveness of asset expansion.
Fixed Asset Ratio	Net Fixed Assets / Total Net Worth	Indicates the level of stockholders' equity invested in net fixed assets. A higher ratio may indicate a lack of funds for current operations. Usually, a low ratio indicates a more favorable liquidity position; however, off balance sheet financing of equipment may offset this apparent positive indication.
Equity to General & Administrative Expenses	Total Net Worth / General & Administrative Expenses	Indicates the level of overhead in relation to net worth. Generally, a ratio of 1.0 or more is considered acceptable.
Underbillings to Equity	Unbilled Work + Cost in Excess / Total Net Worth	Indicates the level of contract volume being financed by the stockholders. Usually stated as a percentage, a ratio of 30% or less is considered acceptable.
Backlog to Equity	Backlog / Total Net Worth	Indicates the relationship of work under contract to total stockholders' equity. Generally, a ratio of 20 or less is considered acceptable. A higher ratio may indicate the need for additional permanent equity.

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Efficiency Ratios

Ratio	Formula	Interpretation
Backlog to Working Capital	Backlog / Current Assets-Current Liabilities	Indicates the relationship between work under contract and working capital. Generally, a ratio of 30 or less is considered acceptable. A higher ratio may indicate a need for an increase in permanent working capital.
Months in Backlog	Backlog / Revenue/12	Indicates the number of months it will take to complete all work under contract. A ratio of less than 12 indicates a need to secure new contracts in the next year to maintain a constant level of annual revenue.
Days in Accounts Receivable	Accounts Receivable, net x 360 / Revenue	Indicates the number of days to collect accounts receivable. A lower ratio indicates a faster collection of receivables, thus more liquidity. Generally, a ratio of 60 days or less is desirable. Consideration should be given to the days in accounts payable ratio as a days in accounts payable ratio less than a days in accounts receivable ratio may indicate a drain on cash flow.
Days in Inventory	Inventory x 360 / Cost of Sales	Indicates the number of days required to sell inventory. A high ratio may indicate an overstocking of inventory.
Days in Accounts Payable	Accounts Payable x 360 / Cost of Sales	Indicates the number of days it takes to liquidate trade payables. The ratio should be compared to credit terms of vendors. Generally, a ratio of 45 days or less is considered adequate; however, if this ratio is lower than the days in accounts receivable ratio cash flow may be negatively impacted.
Operating Cycle	Days in Cash + Days in Accounts Receivable + Days in Inventory - Days in Accounts Payable	Indicates the length of time it takes for the company to complete a normal operating cycle. A low ratio may indicate a need for more permanent working capital.

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OVERALL RESULTS OF THE 1990 FINANCIAL SURVEY

A CORPORATE PROFILE

Foreword

The 1990 CFMA Financial Survey Questionnaire was designed to provide a great deal of data about CFMA general members. The data obtained is grouped into three broad categories. These categories and a brief description of the data in each follows:

General Data

This category provides information about the company, the type of work performed, geographic regions in which work is performed, the source of work, employee benefits, benefit plans, bonus plans, classification and number of corporate employees, whether substance abuse testing is performed and whether the corporate financial statements are audited, reviewed, compiled or internally prepared. Also, member opinions on identifying major industry issues and future growth prospects are included.

Accounting Policies and Methods

This category of the survey identifies the major corporate accounting policies and methods used by CFMA members. Some of the more significant areas covered include revenue recognition policies for construction contracts, unpriced change orders and claims. Other areas include depreciation methods, inventory valuation methods, and investments in construction joint ventures. Also, information is gathered as to the type of contracts performed, the timing of contract profit recognition, and the average length of contracts.

Financial Data

This category provides detailed financial data on CFMA general members as a whole. This data is then broken down as to type of construction, geographic regions where work is performed and by volume size of contractor. Detailed composite balance sheets, earnings statements and financial ratios are presented for the 1990 and 1989 survey participants. Twenty separate financial ratios are presented for each set of financial statements.

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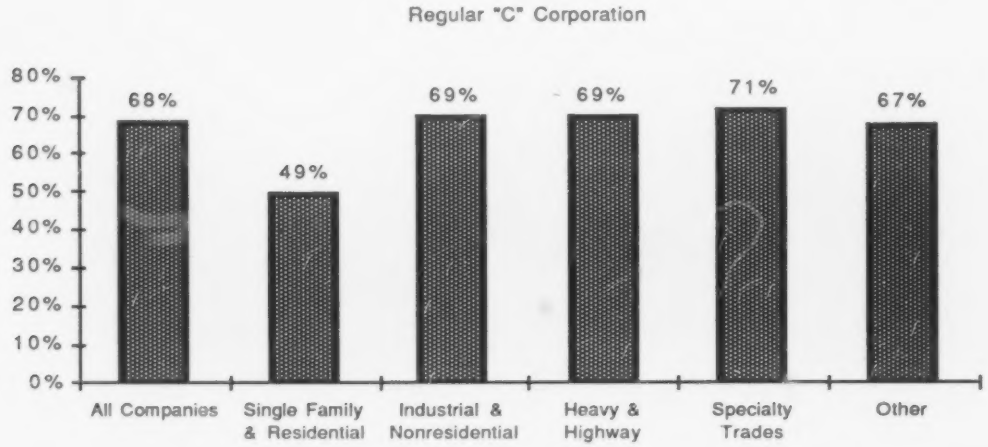
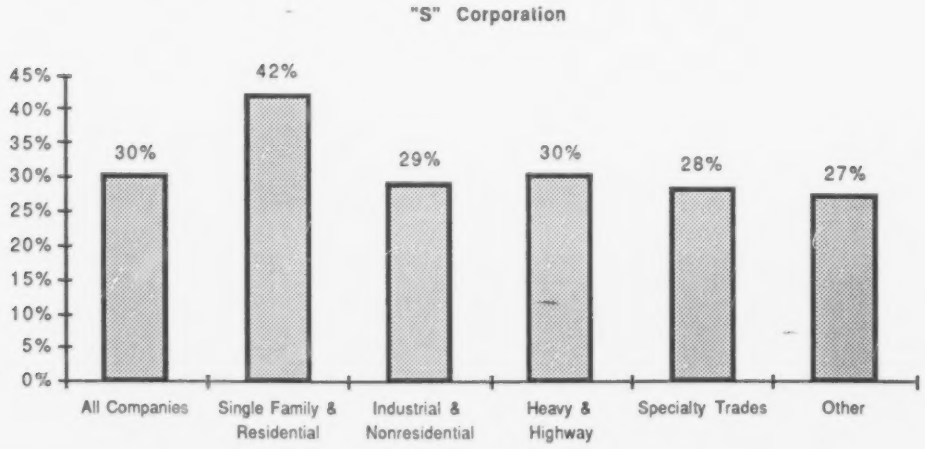
GENERAL DATA

TYPE OF BUSINESS

A summary of certain key characteristics of the composite corporate structure of companies responding to the 1990 financial survey are presented below with brief comments.

Legal Form of Business





The important information depicted in the above charts is that almost one third (30%) of all respondents are "S" Corporations. This percentage has increased from 26% in 1989 and will possibly continue to increase if the present federal income tax structure remains in place. The largest percentage of "S" Corporations is in the Single Family and Residential builder group. The 1990 survey results reflect an increase in the percentages of "S" Corporations for all classifications, except Single Family and Residential.

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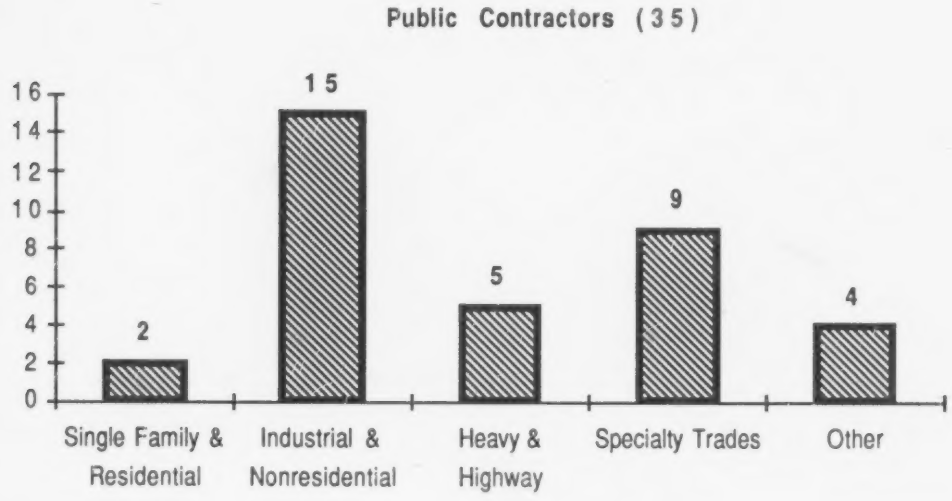
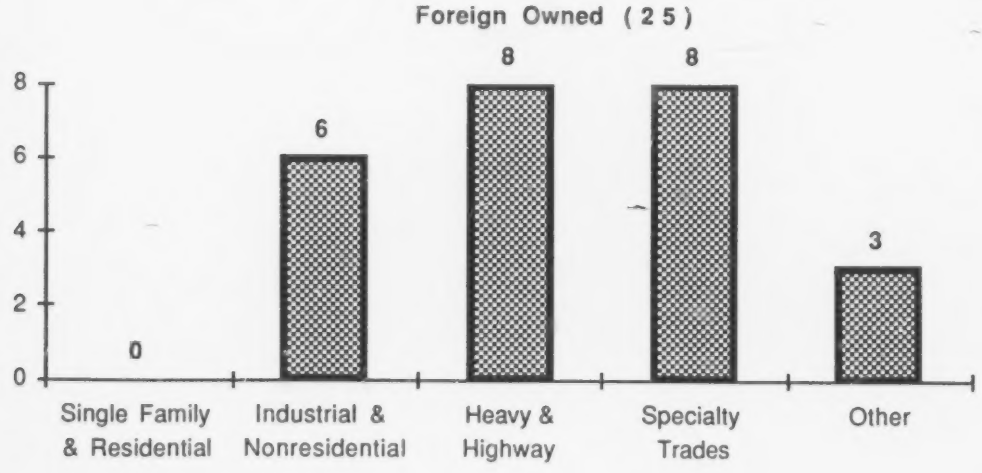
OWNERSHIP OF BUSINESS

Responding to the question "What is the ownership of the business?" the companies surveyed were given a choice of three responses: Public (S.E.C. Registration), Private, Foreign owned. Overall, 93% (737 companies) of respondents answered that their companies were privately owned. The remaining companies responded approximately equally that they were publicly owned (4% or 35 companies) and foreign owned (3% or 25 companies).





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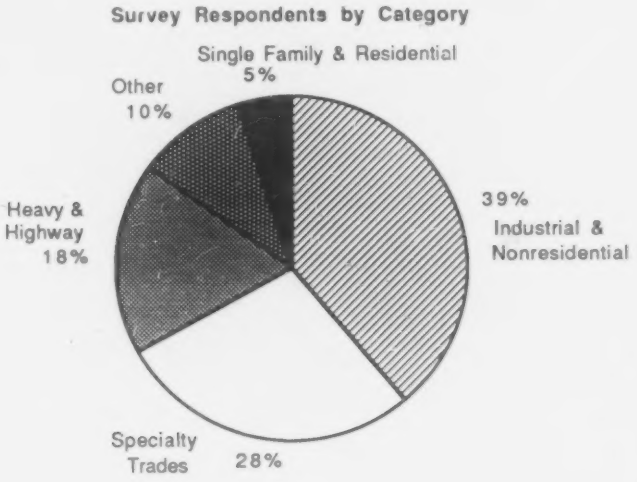
TYPE OF CONTRACTOR

Respondents to the survey identified the type of work performed by estimating the volume of work performed in each of 27 separate SIC codes. The SIC codes were grouped into five major classifications as presented below.

Classification	SIC Codes
Single Family & Residential	**1521; 1522**
Industrial & Nonresidential	**1531; 1541; 1542**
Heavy & Highway Construction	**1611; 1622; 1623; 1629**
Specialty Trades	**1711; 1721; 1731; 1741; 1742; 1743; 1751; 1752; 1761; 1771; 1781; 1791; 1793; 1794; 1795; 1796; 1799**
Other	**6552 (Subdividers and Developers)** **Construction Management** **Other**

The percentage of respondents for each classification is as follows:



The criteria used to classify responses was if the respondent indicated that at least one third of its annual contract volume was performed in any of the classifications. This criteria was selected because it was believed that a company performing at least one third of its annual volume of work in a given classification would more than likely exhibit those corporate and financial characteristics common to that segment of the construction industry.

Role of Contractor

Of the 795 survey responses, 477, or 60%, described themselves as a general contractor; 246, or 31%, described themselves as subcontractors; and the remaining 72 respondents, or 9%, described themselves as either a construction manager, subdivider or developer, or some other role.

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The role of contractor broken down by classification of work is presented in the following chart:

	General Contractor	Sub-Contractor	Others
All companies	60%	31%	9%
Single Family and Residential	74%	2%	24%
Industrial & Nonresidential	95%	2%	3%
Heavy & Highway	82%	11%	7%
Specialty Trades	9%	87%	4%
Others	29%	30%	41%

Labor Classifications within the Company

Respondents indicated their labor classification as 48% Open Shop (non-union) contractor, 41% Union contractor, and 11% Double-Breasted (union and non-union) contractor. As expected, the majority of Single Family and Residential contractors (77%) identified themselves as Open Shop Contractors. The high percentage of Specialty Trades contractors identifying themselves as union contractors is also expected, based on the type of work performed and their concentration in the northeast.

	Open Shop Contractor	Union Contractor	Double-Breasted Contractor
All companies	48%	41%	11%
Single Family and Residential	77%	18%	5%
Industrial & Nonresidential	55%	36%	9%
Heavy & Highway	42%	47%	11%
Specialty Trades	34%	52%	14%
Others	53%	36%	11%

Location of Work Performed

Respondents were requested to estimate the geographic regions in which they completed contracts. The geographic regions were presented with a listing of states included in each region. A region labeled "Foreign" was described as, "includes all international work". As in the type of contractor classifications, a contractor was included in a region if one-third or more of its estimated annual volume was completed in a region. This criteria was used because it was believed to represent a reasonable level of contract activity for classification purposes. A region labeled "National" includes contractors not meeting the criterion for any geographic region.

A summary of the level of work completed by geographic region is presented below.

Region	Percentage of Work Completed in each Region
Northeast	23%
Southeast	18%
Midwest	18%
Southwest	6%
West	10%
Far West	22%
Foreign	1%
National	2%
Total	100%

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A listing of states included in each geographic region follows:

Northeast -- includes the following states:
(Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont)

Southeast -- includes the following states:
(Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia)

Southwest -- includes the following states:
(Arkansas, Kansas, Louisiana, Missouri, Oklahoma, Texas)

Midwest -- includes the following states:
(Illinois, Indiana, Iowa, Michigan, Minnesota, Nebraska, North Dakota, South Dakota, Ohio, Wisconsin)

West -- includes the following states:
(Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming)

Far West - includes the following states:
(Alaska, California, Hawaii, Oregon, Washington)

Foreign -- includes all international work.

National -- includes contractors performing less than one third of their annual contract volume in any geographic region.

A summary of the percentage of work performed by region for each of the five major contractor classifications is presented below:

Region	All Companies	Single Family and Residential	Industrial and Non-residential	Heavy & Highway	Specialty Trades	Others
Northeast	23%	12%	23%	25%	25%	28%
Southeast	18%	13%	20%	19%	13%	16%
Midwest	18%	6%	15%	20%	22%	19%
Southwest	6%	6%	6%	4%	10%	0%
West	10%	15%	10%	14%	9%	13%
Far West	22%	46%	23%	16%	19%	22%
Foreign	1%	2%	1%	1%	0%	0%
National	2%	0%	2%	1%	2%	2%
Total	100%	100%	100%	100%	100%	100%

The chart above appears to reflect a relatively even level of work in each region except for Single Family and Residential contractors who perform approximately 46% of their work in the Far West region. The next highest concentration of work by type of contractor is 28% of Other contractors in the Northeast region. Overall, the highest level of work in a region is 23%, in the Northeast followed by 22% in the Far West. All of these characteristics are indicative of the general population and economic activity in the United States . The relative low percentages in the Southwest and West regions are results of a general recession in the economy in the Southwest region and the less industrialized nature of the West region.

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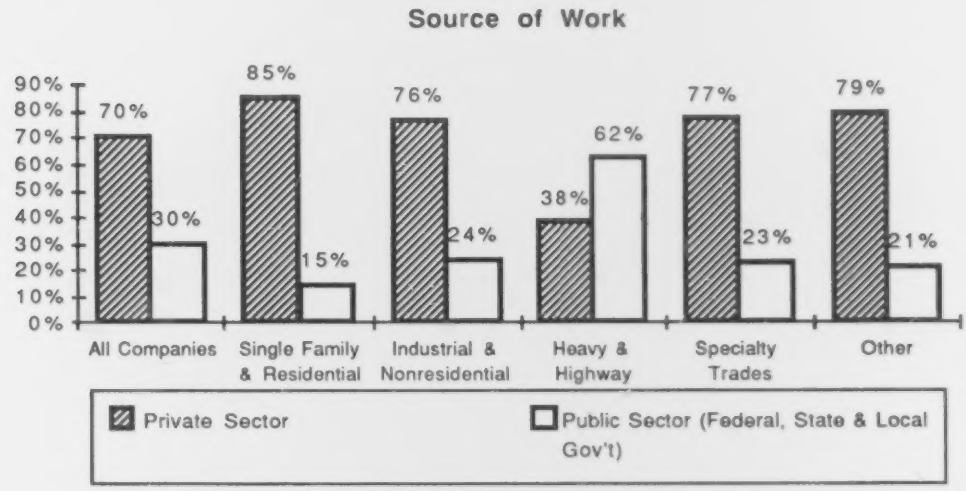
SOURCES OF WORK

Survey respondents indicated that 70% of contract work performed came from private industry and 30% from the public sector (Government - federal, state, and local).



The Heavy and Highway contractors have a significant impact on the percentage results for all companies. Excluding the Heavy & Highway contractor classification the overall percentage of work derived from private industry increases to 80% and the level of work from the public sector decreases to 20%.

The high percentage of work in the public sector for Heavy & Highway contractors includes major infrastructure projects as tunnels, bridges, sewage treatment plants, and most highways. The source of the public work for the Heavy & Highway classification is 31% from state governments, 21% from local governments, and 10% from the federal government. This compares to the overall percentage of work from the public sector (30%) which is comprised of 13% state, 10% local, and 7% federal governments.

The 1990 survey reflects a slight increase in the level of work performed for the public sector (30%) from 1989 (25%). The largest percentage increase was in the Specialty Trades (23% in 1990 compared to 9% in 1989).

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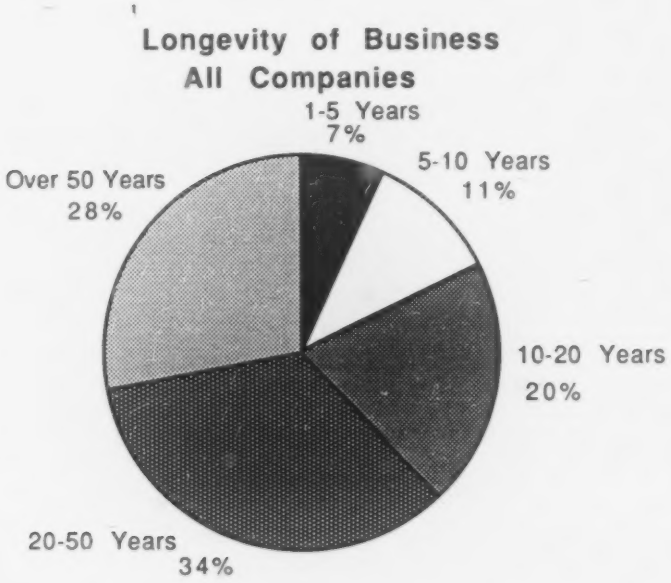
LONGEVITY

Consistent with the 1989 survey results, the respondents to the 1990 CFMA Financial Survey represent contractors with staying power! A full 82% of the companies participating in the survey have been in business for 10 years or longer while 62% have been in business for 20 years or longer! A further indication of the longevity of CFMA members is that 28% of the respondents have been in business over 50 years! This compares favorably to the 7% of respondents who have been in business for less than 5 years.



The classifications by type of contractor reveal the relative strength of the Specialty Trades and the Heavy & Highway contractors. Possible explanations for their longevity may be in the nature of contract work of these two classifications. For instance, specialty trades typically have lower equipment investments and the duration of contracts is relatively short. These characteristics allow for flexibility to economic changes and generally are reflective of a lower level of inherent risk. Conversely, the Heavy & Highway contractors have significant investments in equipment and for many projects the contract duration is in excess of one year. Their longevity may be attributable to generally higher profit margins and fewer competitors when compared to the other four classifications.

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EMPLOYEE BENEFITS

The survey results indicate a clear preference for certain employee benefits. However, other employee benefits were less common. This information is presented in the following charts.

MOST COMMON EMPLOYEE BENEFITS
(Salaried Employees)

	Percentage of Companies Offering Benefit					
Benefit	All Companies	Single Family and Residential	Industrial and Non-residential	Heavy & Highway	Specialty Trades	Others
Paid Vacation	99%	100%	100%	99%	100%	98%
Medical Insurance	97%	73%	95%	91%	94%	83%
Life Insurance	88%	82%	87%	91%	88%	88%
Sick Leave	67%	78%	70%	56%	67%	74%
Long-term Disability	58%	49%	59%	64%	57%	62%
Maternity Leave	57%	60%	62%	55%	55%	41%
Dental Insurance	59%	71%	62%	50%	59%	63%

MOST COMMON EMPLOYEE BENEFITS
(Hourly Employees)

	Percentage of Companies Offering Benefit					
Benefit	All Companies	Single Family and Residential	Industrial and Non-residential	Heavy & Highway	Specialty Trades	Others
Paid Vacation	58%	58%	53%	57%	61%	66%
Medical Insurance	73%	58%	68%	75%	78%	74%
Life Insurance	58%	51%	53%	60%	60%	63%
Sick Leave	32%	49%	27%	26%	34%	48%
Long-term Disability	29%	16%	25%	30%	33%	39%
Maternity Leave	32%	31%	32%	27%	36%	27%
Dental Insurance	42%	44%	40%	36%	44%	54%

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LEAST COMMON EMPLOYEE BENEFITS
(Salaried Employees)

Benefit	Percentage of Companies Offering Benefit					
	All Companies	Single Family and Residential	Industrial and Non-residential	Heavy & Highway	Specialty Trades	Others
401K Matching	32%	18%	31%	34%	31%	41%
"Cafeteria Plan" Insurance Program	24%	20%	24%	21%	24%	28%
Optical Insurance	17%	22%	15%	21%	12%	24%
Employee Assistance Program	16%	11%	16%	18%	14%	18%
Childcare	2%	0%	3%	2%	2%	2%

LEAST COMMON EMPLOYEE BENEFITS
(Hourly Employees)

Benefit	Percentage of Companies Offering Benefit					
	All Companies	Single Family and Residential	Industrial and Non-residential	Heavy & Highway	Specialty Trades	Others
401K Matching	23%	13%	22%	24%	23%	22%
"Cafeteria Plan" Insurance Program	18%	16%	18%	18%	18%	21%
Optical Insurance	12%	18%	9%	16%	11%	21%
Employee Assistance Program	13%	11%	12%	15%	12%	12%
Childcare	1%	0%	1%	0%	1%	2%

The most common employee benefits and the least common employee benefits are consistent between the salaried employees and the hourly employees. The percentage of companies offering benefits to hourly employees is considerably lower than the percentage of companies offering benefits to salaried employees; however, Union Companies were included in the response where many of these benefits are provided directly to hourly employees by the union.

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Benefits of Which the Employee Pays a Portion

The survey identified several employee benefits in which a portion of the cost was passed on to the employees. The following chart identifies these benefits and the percentage of companies that have employees pay for a portion of the insurance coverage.

Benefit	All Companies	Single Family and Residential	Industrial and Non-residential	Heavy & Highway	Specialty Trades	Others
Medical Insurance	50%	51%	51%	50%	48%	55%
Dental Insurance	24%	24%	24%	21%	25%	28%
Life Insurance	13%	9%	13%	20%	11%	11%
Long-Term Disability	11%	7%	12%	15%	9%	13%
Optical Insurance	3%	2%	2%	5%	3%	5%
"Cafeteria Plan" Insurance Program	3%	2%	3%	3%	3%	5%

Employee Benefit Plan

The survey identified five separate employee benefit plans and asked respondents to indicate which plans, if any, their companies offered. The most common employee benefit plan offered is a profit sharing plan. This popularity held true for each classification of contractor except the "single family and residential" classification where profit sharing plans were second in preference to 401(k) plans. The popularity of profit sharing plans is possibly due to the volatility of earnings in the construction industry and the funding flexibility available to management.

	Percentage of Companies Offering Benefits (Salaried Employees)					
Employee Benefit Plan	All Companies	Single Family and Residential	Industrial and Non-residential	Heavy & Highway	Specialty Trades	Others
Profit Sharing	53%	29%	55%	59%	52%	49%
401 K	41%	33%	43%	42%	38%	48%
Defined contribution	23%	18%	24%	30%	17%	17%
Defined benefit	12%	9%	14%	11%	11%	20%
Employee Stock Ownership Plan	8%	4%	9%	9%	9%	7%

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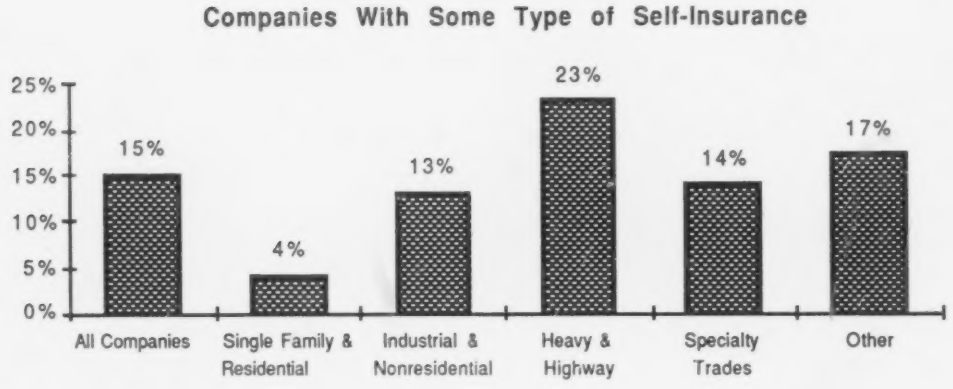
Employee Benefit Plan	Percentage of Companies Offering Benefit (Hourly Employees)					
	All Companies	Single Family and Residential	Industrial and Non-residential	Heavy & Highway	Specialty Trades	Others
Profit Sharing	30%	18%	29%	34%	31%	26%
401 K	27%	20%	28%	30%	26%	28%
Defined contribution	18%	11%	19%	21%	15%	15%
Defined benefit	14%	9%	12%	17%	15%	13%
Employee Stock Ownership Plan	5%	0%	4%	3%	6%	2%

SELF-INSURANCE

The results of the 1990 Survey showed the Heavy and Highway contractors to be the leader in self-insured companies with a 23% response. Health insurance was the most common area of self-insurance.

Areas of Self-Insurance
(For Companies which are Self-Insured)



	Workers Comp.	General Liability	Health Insurance	Other
All Companies	38%	25%	60%	31%
Single Family & Residential	50%	50%	100%	0%
Industrial & Nonresidential	40%	28%	60%	35%
Heavy & Highway	47%	21%	59%	44%
Specialty Trades	31%	22%	53%	19%
Other	36%	43%	64%	36%

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CASH MANAGEMENT

The survey respondents indicated that Zero Balance Arrangements is the most popular form of cash management with a 47% response. This held true for all types except Single Family and Residential, which had a 24% response for Zero Balance Arrangements and a 64% response for Savings Accounts.

	Percentage of Each Method Used					
Cash Management Method	All Companies	Single Family and Residential	Industrial and Non-residential	Heavy & Highway	Specialty Trades	Others
Remote Disbursement Accounts	18%	9%	19%	20%	15%	13%
Zero Balance Arrangements	47%	24%	54%	52%	45%	44%
Interest Earning Checking Accounts	32%	49%	35%	33%	26%	29%
Saving Accounts	36%	64%	36%	30%	35%	33%

COMPANY BONUSES

The survey respondents indicated that the majority of companies pay bonuses to top management. The bonuses paid to certain groups of employees and the method used in determining the bonus amount are presented below.

	Bonus Determined By:				
Bonus Applicable To:	Discretionary	Goal Attainment	Formula	Other	Total
Corporate Executives	66%	11%	22%	1%	100%
Project Managers	62%	16%	20%	2%	100%
Project Superintendents	63%	16%	19%	2%	100%
Estimators	71%	10%	17%	2%	100%

The above chart shows a clear preference for determining the bonus amount on a discretionary basis compared to more objective methods. In many responses, the bonus amount was indicated as being determined by more than one method. This implies that a portion of the bonus is determined objectively (formula, goal attainment, etc.) and a portion is determined subjectively (discretionary).

The popularity of discretionary bonuses was found in each classification of contractor.

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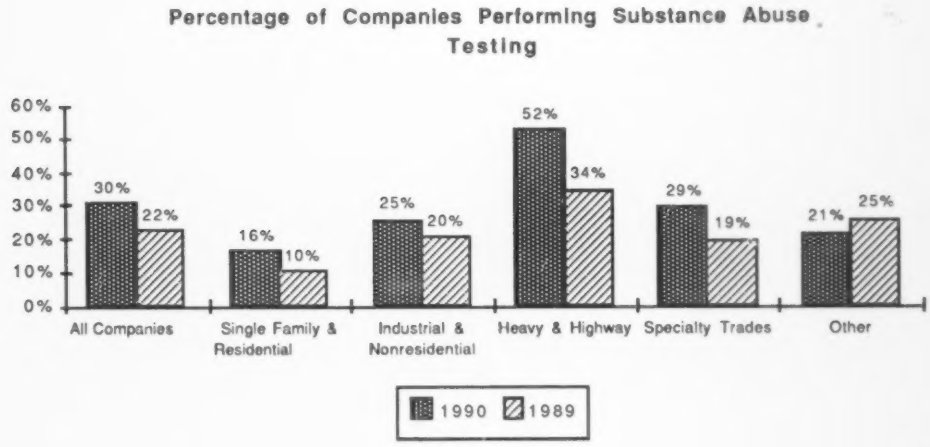
SUBSTANCE ABUSE TESTING

Substance abuse testing has increased from 22% in 1989 to 30% in 1990 for all companies. The number of companies performing substance abuse testing in the Heavy and Highway classification increased by 27% from 1989 to 1990, possibly due to the higher risk involved in this area. Of those companies with a formal substance abuse program in place, 83% test for cause, 83% have pre-employment testing, 47% have random testing, and 20% indicated all employees were tested under an established program.

OTHER SURVEY CHARACTERISTICS



The survey results provide insight into many corporate practices and policies as described above. Other information that should be useful to respondents and certain service providers can be found in responses to other areas of the survey. These areas are presented below.

Bonding - Overall, 88% of companies responding to the survey perform some work requiring a bond. On average, 49% of work performed by these contractors is bonded. Industrial and Nonresidential (93%), Heavy & Highway (97%), and Specialty Trades (91%) represent the heaviest users of surety bonds. Single Family and Residential (60%) and Other (65%) use bonds to a lesser degree.

Corporate Financial Statements - Overall, 74% of the companies responding have an annual audit. Another 19% have a review performed by an independent CPA and 4% have a CPA compile the annual financial statements. Interim financial statements are generally internally prepared (73%) with only 19% of the companies responding involving an independent CPA.

Corporate Fiscal Year-End - Overall, 62% of the companies responding have a December 31, year- end. Of the remaining companies, 14% have a March 31 year-end, 8% have a June 30 year-end, 13% have a September 30 year-end, and 2% have other year-ends.

Work Performed by Subcontractors - Overall, 42% of total cost incurred represents work performed by subcontractors.

Staffing - The table below reflects the weighted average number of employees by major categories as indicated in survey responses.

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Category	Weighted Average Number of Employees					
	All Companies	Single Family and Residential	Industrial and Non-residential	Heavy & Highway	Specialty Trades	Others
Corporate executives	5	3	6	5	4	6
Construction management	23	7	35	16	12	26
Construction field employees	275	57	349	296	256	170
Engineering and estimating	27	3	40	13	11	60
Accounting and finance	9	6	12	8	7	9
Data processing	2	1	3	3	2	3
Human resources	2	0	4	1	1	2
Legal	0	0	1	0	0	1
Maintenance and repair shop	5	2	3	13	4	4
Marketing and business development	3	3	5	1	1	4
Internal audit	0	0	0	0	0	0
All others	29	26	35	21	17	58
Total employees	381	108	492	376	314	342

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Opinions

Growth - Responses to the survey indicated that overall 53% of the companies expect an increase in next year's contract volume, while in May 1990, 27% expect a decrease. The remaining 20% expect a flat volume in the next twelve months. This expectation was the same in each of the five types of contractors. Only the Single Family and Residential contractor group fell below the 50% level expecting an increase in next year's volume, with 46% expecting growth. The 53% that expected an increase in next year's contract volume, falls short of 64% expected growth in the 1989 survey results. This decrease can be attributed to the expected slowdown in the economy in the 1990's, leading to fluctuating interest rates. Another factor possibly contributing to the expected decrease is the savings and loan crisis. With many savings and loans having recently declared bankruptcy, banks and savings and loans will be more cautious on lending funds for new development and expansion. These recent events may result in a situation where it will be more difficult and less desirable to obtain financing for construction projects and thus slow down the construction growth.

Challenges - The survey requested respondents to select from a list the three areas of most challenge to the construction industry in the next five years. The most commonly identified areas and the percentage of responses for each is presented below.

Area of Challenge	Percentage of Responses Selecting Area
Insurance (Workers comp., medical, life, etc.)	75%
Manpower Needs	36%
Litigation	34%
Surety Bonds	27%
Federal Tax Legislation	27%

These areas of challenge are consistent with those identified in the 1989 survey.

Lookback Interest Computation - .The 1990 survey requested the respondents to estimate the following for completed long-term contracts:

	All Companies
Average man hours incurred complying with the tax rule:	40
Average additional outside tax consulting fees paid:	$1,982
Average amount to (from) IRS reported on Form 8697:	$4,577

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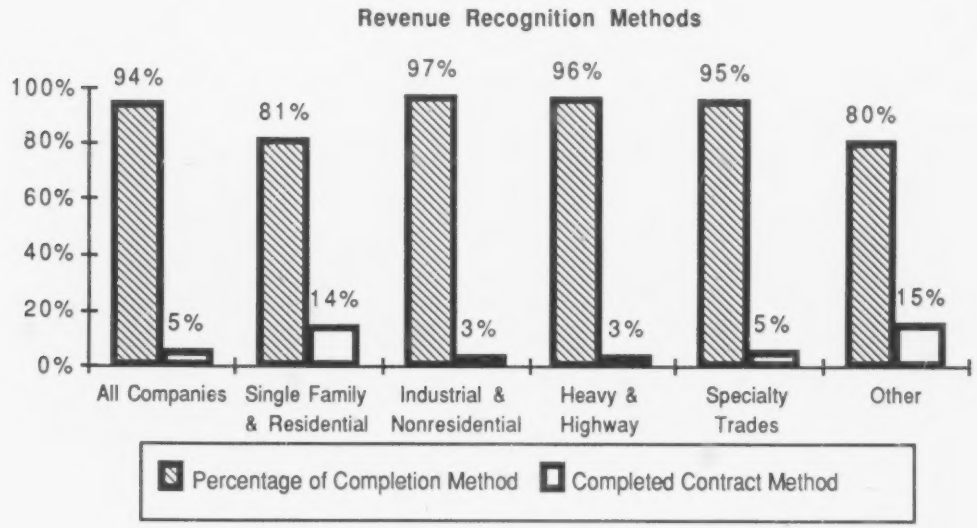
ACCOUNTING METHODS AND POLICIES

Foreword

One third of the 1990 CFMA Financial Survey was devoted to major accounting methods and policies. The data gathered by the survey should be helpful to construction companies establishing accounting policies for new areas such as claims recognition or investments in joint ventures. Other users of the survey may find this section useful in determining whether their accounting methods and policies are similar to those commonly used in the industry.

CONTRACT REVENUE RECOGNITION

Overall, 94% of companies in the survey employed the percentage of completion method of accounting for construction contracts for financial statement reporting purposes. The AICPA Accounting Guide for Construction Contractors provides guidelines for when this method is required. The high usage of the percentage of completion method is not surprising in light of the AICPA Guide and the nature of projects performed.



Contract Claims and Unpriced Change Orders

Revenue recognition policies for contract claims and cost of unpriced change orders have long been areas of concern for contractors. The accounting policy established can have a significant impact on a company's financial statements because of the timing of revenue and profit recognition. As the data illustrates, industry practice varies and there does not appear to be a dominant accounting policy in practice in either area.

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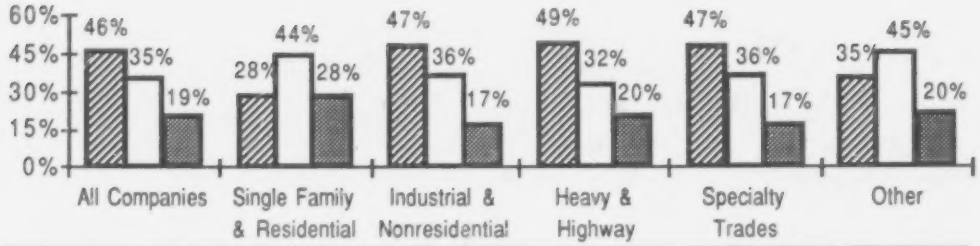
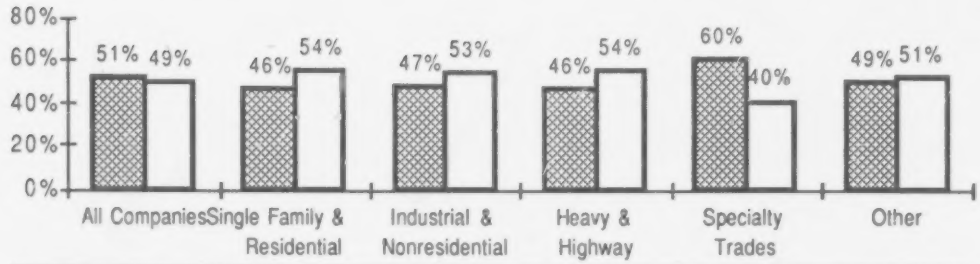
Contract Claim Revenue Recognition



- Contract claim revenue recognized when settlement is probable and amounts can be estimated
- Contract claim revenue recognized when claim is settled
- Contract claim revenue recognized when claim is paid

Unpriced Change Order Cost



- Estimated cost and revenue of unpriced change orders are recognized in the current accounting period
- Cost associated with unpriced change orders is deferred until the change order is priced or revenue equal to the unpriced change order cost is recognized

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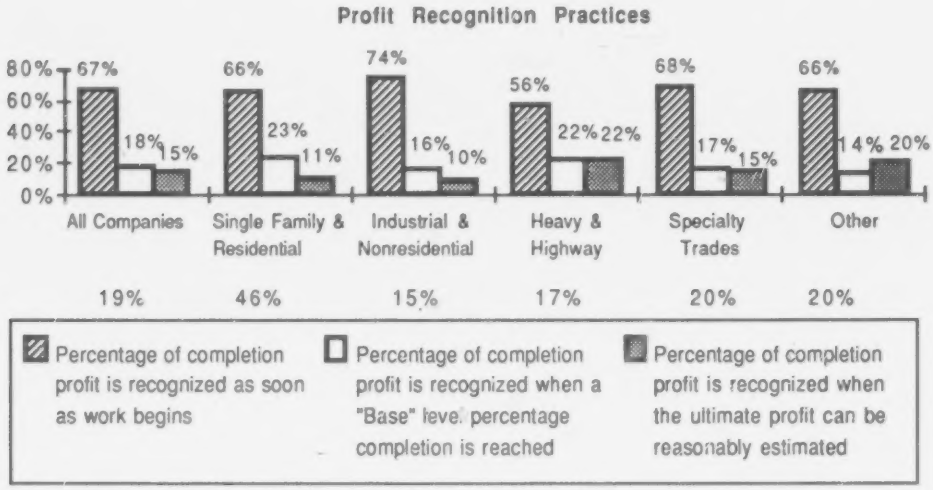
Percentage of Completion Profit Recognition Practices

The table below illustrates the timing of profit recognition for companies using the percentage of completion method. Because a contractor must estimate the ultimate profit on each contract under the percentage of completion method, industry practice has evolved to include several different criteria to establish exactly when profit recognition should begin. While the dominant practice is to recognize profit as work is performed, there are two other common practices which defer profit recognition for a period of time. These practices are used by approximately one third of the companies responding to the survey and are presented below.



The percentages below the names of the types of contractors represent the average base level of percentage completion at which contract profit recognition begins for those companies using such accounting policy.

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Types of Contracts

The survey listed seven categories of types of contracts performed and requested an estimate of the percentage of work performed for each category. The seven categories of types of contracts and the percentages for each is presented below.

Type of Contract	% of Work Performed
Fixed Price	58%
Cost Plus-Guaranteed Maximum	12%
Unit Price	11%
Time and Materials	8%
Cost Plus	7%
Construction Management	3%
Others	1%
Total	100%

Fixed price contracts represented in excess of 50% of all contracts performed for four of the five types of contractors: Single Family and Residential (55%); Industrial and Nonresidential (57%); Specialty Trades (76%); and Others (52%). Heavy and Highway (42%) was just below the 50% level.

In no cases did a type of contract, other than Fixed Price, represent more than 40% of total work performed, except for Unit Price contracts which represented 44% of work performed by the Heavy and Highway group. Cost Plus fee with a guaranteed maximum contracts represented 24% of work performed by the Industrial and Nonresidential group. No other type of contracts represented a significant percentage of work for any of the five major types of contractors.

Length of Contracts

Overall, 59% of contracts performed by responding companies are completed within 12 months. All but 4% are completed within two years.

These percentages are consistent for each of the five major types of contractors. Heavy and Highway contractors responded that 6% of their contracts take in excess of two years to complete and 11% of contracts performed by the Other group exceeded two years in duration. These longer term projects are representative of the nature of work performed by these two types of contractors - bridges, tunnels, highways, dams, etc., for Heavy and Highway; and subdivisions, real estate developments, and construction management projects for Other.

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INVESTMENTS IN JOINT VENTURES

Approximately 44% of companies responding to the 1990 CFMA Construction Industry Annual Financial Survey had participated in at least one joint venture in the past twelve months. On average, those companies participated in three joint ventures. Survey respondents were asked to indicate the accounting method used for investments in joint ventures. This area is a particular concern to contractors because of the wide variance of methods being practiced in the industry. The survey provided seven accounting policies and asked the respondents to select the one used by their company. The seven accounting policies are described below:

A. **Full consolidation method**. The joint venture's financial statements are consolidated with those of the majority venturer, intercompany transactions are eliminated, and the other venturers' interests are shown as minority interests.

B. **Partial or proportionate consolidation method**. The venturer consolidates his proportionate interest in the joint venture's assets, liabilities, revenues, and expenses. The consolidated totals do not distinguish between amounts of the joint venture and venturer.

C. **Equity method**. The "investment in joint venture" is presented as a one-line item in the balance sheet and adjusted for the venturer's "share of joint venture profits or losses," which is presented as a one-line item in the income statement.

D. **Expanded equity method**. Under this method, the venturer presents his proportionate share of joint venture assets, liabilities, revenues, and expenses separately as a one-line item in each category of his financial statements. For example, the venturer's balance sheet may present his share of the joint venture's current assets described as "venturer's share of current assets of the joint venture."

E. **Cost method**. The cost method provides that the investment in the joint venture should be carried at cost, and income is recognized only as distributions are made from the joint venture.

F. **Part equity/part consolidation**. The venturer's investment in the joint venture is reflected in the balance sheet using the equity method - a one-line item adjusted for the venturer's share of joint venture profits or losses. The venturer's share of joint venture revenues and expenses are reflected in the income statement using the partial consolidation method.

G. **Other - (Please describe)**.

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Accounting Method	Percentage of Each Method Used					
	All Companies	Single Family and residential	Industrial and Non-residential	Heavy & Highway	Specialty Trades	Others
Equity Method	51%	50%	51%	47%	46%	52%
Full Consolidation	14%	17%	13%	10%	17%	22%
Part Equity/Part Consolidation	11%	7%	13%	16%	7%	10%
Proportionate Consolidation	8%	10%	7%	10%	10%	2%
Cost Method	12%	13%	12%	15%	13%	7%
Expanded Equity Method	1%	0%	1%	1%	0%	5%
Other	3%	3%	3%	1%	7%	2%
Total	100%	100%	100%	100%	100%	100%

The chart reveals that the Equity Method is the most commonly used accounting method for investment in joint ventures. This is not a surprising finding. However, the other significant finding illustrated by the chart is that approximately one third of companies responding use an accounting method other than the equity method or full consolidation. The use of such a variety of accounting methods can have a significant effect on comparability of financial statements which include joint venture activity.

DEPRECIATION METHODS

Survey respondents were requested to indicate the depreciation methods used for six categories of property and equipment. Overall, approximately two thirds of all respondents use straight line depreciation for each of the six major categories. Various accelerated depreciation methods were used by the remaining one third of companies.

The six major categories of property and equipment and the percentages of depreciation methods used are presented below.

Category	Percentage of Each Method Used	
	Straight Line	Accelerated Methods
Buildings	84%	16%
Office equipment and furniture	66%	34%
Construction equipment	66%	34%
Automotive equipment	66%	34%
Land improvements	81%	19%
Other	75%	25%

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INVENTORY VALUATION METHODS

Five inventory valuation methods were presented in the survey for respondents to indicate the method employed by their company. Overall, none of the five methods represented a majority of companies responding; however, the most commonly used method was First In, First Out. Responses to the survey are presented below.

	Percentage of Each Method Used					
Accounting Method	All Companies	Single Family and Residential	Industrial and Non-residential	Heavy & Highway	Specialty Trades	Others
FIFO	43%	16%	40%	44%	49%	36%
Specific Identification	21%	63%	30%	17%	11%	26%
Average Cost	24%	16%	20%	25%	26%	23%
LIFO	9%	5%	6%	12%	11%	11%
Other Methods	3%	0%	4%	2%	3%	4%
Total	100%	100%	100%	100%	100%	100%

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FINANCIAL DATA

Foreword

This section of the survey analyzes the composite financial statement data and financial ratios for all companies responding to the 1990 CFMA Financial Survey Questionnaire. Separate sections of the survey are devoted to analysis of the composite financial statements and ratios for each classification of contractor. Thus, this section of the survey will draw conclusions and give analyses from an overall industry perspective. Because the conclusions and analyses of the five separate classifications of contractors may differ, you should also refer to those separate sections.

COMPOSITE FINANCIAL DATA

Composite Balance Sheets

The composite balance sheet of the 695 companies responding to the survey, indicate a favorable liquidity position with a current ratio of 1.4 and an increase in the percentage of net worth to total assets reflecting a strong equity base. Current assets and current liabilities remained consistent from 1989 while net worth and property, plant and equipment, increased. The increase in property, plant and equipment may be attributable to responses from the Heavy and Highway contractors almost doubling from 1989.

The quick ratio (1.1) remained the same as in 1989 and the days of cash (13.7) and working capital turnover(12.6) ratios decreased slightly.

Long-term debt decreased by 20% from 1989. This data reveals that the 1990 participants are less leveraged which is indicated by the decreased debt to equity ratio (2.3) in 1990.

Overall, the 1990 composite balance sheet remained fairly consistent with the 1989 composite balance sheet with few fluctuations.

Composite Statements of Earnings

The composite statements of earnings reflect a growth in volume of business and net earnings. Net earnings as a percentage of total revenues increased by .4% from 1989 to 1.4% in 1990.

Total revenue increased approximately $3.8 million or 6% from 1989, while net earnings increased $373,766 or 64%. The composite gross profit margin increased in the current year to 8.9% compared to 8.2% in 1989. This increase was accompanied by a slight increase in G & A expense resulting in a more favorable net income. Total composite net worth to general and administrative expenses is 1.6. Generally, a ratio of 1.0 is considered adequate. This further illustrates the strong financial position of the survey respondents.

The composite return on equity in the current year of 12.6% represents an increase over 1989 and is indicative of the average for all companies responding to the survey. The composite return on assets for the current year (3.8%) is slightly higher than the 1989 survey results but is still a low rate of return as a whole.

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ALL COMPANIES
COMPOSITE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$2,530,789	10.1%	$2,556,616	10.7%
Marketable securities and short term investments	767,926	3.1	839,904	3.5
Receivables:				
Contract receivables currently due	7,574,169	30.1	8,183,859	34.3
Retainages on contracts	2,366,140	9.4	1,915,322	8.0
Unbilled work	524,983	2.1	N/A	N/A
Other receivables	833,392	3.3	792,743	3.3
Less allowance for doubtful accounts	(59,324)	0.2	(94,601)	0.4
Total receivables, net	11,239,360	44.7	10,797,323	45.2
Inventories	1,470,588	5.8	856,815	3.6
Costs and recognized earnings in excess of billings on uncompleted contracts	1,404,934	5.6	1,644,393	6.9
Investments in construction joint ventures	315,227	1.3	337,169	1.4
Other current assets	827,707	3.3	1,141,073	4.8
Total current assets	18,556,530	73.8	18,173,313	76.1
Property, plant and equipment	8,565,284	34.1	8,031,752	33.6
Less accumulated depreciation	(3,886,339)	15.5	(4,250,912)	17.0
Property, plant and equipment, net	4,678,945	18.6	3,770,840	15.8
Other assets	1,718,891	6.8	1,718,036	7.2
Intangible assets	186,427	0.7	210,130	0.9
Total assets	$25,140,792	100.0%	$23,872,318	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$979,292	3.9%	$823,995	3.5%
Accounts payable				
Trade, including currently due subcontractors	5,526,081	22.0	6,115,884	25.6
Subcontractor retainages	1,550,569	6.2	1,176,474	4.9
Other	523,220	2.1	422,182	1.8
Total accounts payable	7,599,870	30.2	7,714,539	32.3
Accrued expenses	1,600,855	6.4	1,290,116	5.4
Billings in excess of costs and recognized earnings on uncompleted contracts	2,112,588	8.4	2,137,862	9.0
Income taxes				
Current	184,973	0.7	223,498	0.9
Deferred	169,430	0.7	238,496	1.0
Total income taxes	354,403	1.4	461,993	1.9
Other current liabilities	618,744	2.5	970,349	4.1
Total current liabilities	13,265,751	52.8	13,398,855	56.1
Long-term debt, excluding current portion	2,155,473	8.6	3,020,893	12.7
Deferred income taxes	431,384	1.7	471,831	2.0
Other	837,253	3.3	714,203	3.0
Minority interests	787,131	3.1	111,710	0.5
Total liabilities	17,476,993	69.5	17,717,492	74.2
Net worth				
Stock, par value	716,471	2.8	517,928	2.2
Additional paid-in capital	2,029,840	8.1	1,732,315	7.3
Retained earnings	5,395,643	21.5	4,269,103	17.9
Treasury stock	(478,154)	1.9	(364,520)	1.5
Total net worth	7,663,799	30.5	6,154,827	25.8
Total liabilities and net worth	$25,140,792	100.0%	$23,872,318	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$63,555,192	95.5%	$59,771,196	97.5%
Other revenue	3,012,327	4.5	1,523,809	2.5
Total revenue	66,567,518	100.0	61,295,005	100.0
Contract cost	(58,162,720)	87.4	(55,085,729)	89.9
Other cost	(2,453,390)	3.7	(1,213,410)	2.0
Total cost	(60,616,110)	91.1	(56,299,139)	91.8
Gross Profit	5,951,409	8.9	4,995,866	8.2
Selling, general and administrative expenses	(4,558,451)	6.8	(4,113,023)	6.7
Interest income	415,183	0.6	N/A	N/A
Interest expense	(419,123)	0.6	N/A	N/A
Other income (expense), net	5,573	0.0	(104,554)	0.2
Net earnings (loss) before taxes	1,394,590	2.1	778,290	1.3
Income taxes	(432,364)	0.6	(189,830)	0.3
Net earnings (loss)	962,226	1.4%	$588,460	1.0%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	665
1989	517

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.4	1.4
Quick Ratio	1.1	1.1
Days of Cash	13.7	15.0
Work. Cap. Turnover	12.6	12.8
Profitability Ratios		
Return on Assets	3.8%	2.9%
Return on Equity	12.6%	9.6%
Times Interest Earned	4.3	21.6
Leverage Ratios		
Debt to Equity	2.3	2.9
Revenue to Equity	8.7	10.0
Asset Turnover	2.6	2.6
Fixed Asset Ratio	61.1%	61.3%
Equity to G & A Expenses	1.7	1.5
Underbillings to Equity	25.2%	26.7%
Average Backlog to Equity	9.8	10.7
Average Backlog to Working Capital	14.2	13.6
Average Months in Backlog	13.5	9.4
Efficiency Ratios		
Days in Accounts Receivable	60.6	63.4
Days in Inventory	8.7	5.5
Days in Accounts Payable	45.1	48.3
Operating Cycle	38.1	34.6

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COMPOSITE REGIONAL FINANCIAL DATA

The composite regional financial statements and ratios are contained on the following pages. Selected financial data from these regions and the overall composite financial data is presented in the following chart. Observations and comments follow the Selected Financial Data.

SELECTED FINANCIAL DATA

	All Companies	Regions					
		NE	SE	MW	SW	W	FW
Number of Companies	695	169	125	135	48	72	166
Assets	$25,141	17,427	25,353	13,834	20,604	18,533	24,545
Liabilities	17,477	11,483	18,022	8,960	13,816	12,436	17,098
Net Worth	7,664	5,944	7,331	4,873	6,788	6,097	7,447
% Net Worth to Assets	30.5	34.1	28.9	35.2	32.9	32.9	30.3
Revenues	66,568	43,242	72,399	41,289	54,106	38,379	51,965
Gross Profit	5,951	5,939	4,737	5,965	4,998	4,842	5,245
% Gross Profit	8.9	13.7	6.5	14.4	9.2	12.6	10.1
G&A Expenses	4,558	4,816	3,571	5,113	5,402	3,768	3,233
% to Revenue	6.8	11.1	4.9	12.4	10.0	9.8	6.2
Net Income	962	599	808	716	188	678	1,582
% Net Income	1.4	1.4	1.1	1.7	0.3	1.8	3.0
Current Ratio	1.4	1.6	1.1	1.4	1.4	1.3	1.4
Return on Assets (%)	3.8	3.4	3.2	5.2	0.9	3.7	6.4
Return on Equity (%)	12.6	10.1	11.0	14.7	2.8	11.1	21.2

Note: All $ amounts are in thousands

The above selected financial data shows key components of each region's composite financial statements and ratios. Responses from the Farwest region increased by approximately 30% from 1989. The regions are all consistent with the overall composite, except for the Midwest region containing some smaller companies. The total assets in the Southwest region dropped considerably from 1989 (135%) due to fewer large companies responding in the current year. This is also reflected in a decrease in revenues for the Southwest.

The Midwest region had the highest percentage of net worth to assets (35.2%), however, this percentage appears strong in all regions. The composite total revenues ($66.5 million) reflect the impact of larger average revenues in the Southeast region ($72.4 million).

Gross profit is relatively even across all regions except for the Southeast, which has only a 6.5% gross profit. The Midwest region has the highest gross profit percentage (14.4%) and also the highest G & A expense percentage. Although not the highest, the Midwest region's percentage of net income (1.7%) compares favorably to the overall composite (1.4%). The Farwest region has the highest percentage of net income (3%) and contains the second greatest number of companies (166) compared to the Northeast region (169).

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General and administrative expenses, as a percentage of revenue, range from 4.9% in the Southeast to 12.4% in the Midwest.

The current ratio ranges from 1.1 in the Southeast to 1.6 in the Northeast. Average return on assets ranges from a low of 0.9% in the Southwest to a high of 6.4% in the Farwest.

Note that the sum of the companies included in each region is greater than the total companies in the survey. This is caused by the criteria used to determine the region classifications. It is possible for a company to be included in more than one region. The effect of such occurrences are not significant to any of the regions. However, there were fourteen companies which were not included in any region using the classification criteria. These fourteen companies are included in the All Companies composite amounts and are identified as National Companies in the Special Classifications section of the survey.

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ALL COMPANIES
NORTHEAST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$2,060,299	11.9%	$2,039,485	12.0%
Marketable securities and short-term investments	723,391	4.2	410,497	2.4
Receivables:				
Contract receivables currently due	6,730,947	38.6	7,098,263	41.8
Retainages on contracts	1,692,076	9.7	1,890,016	11.1
Unbilled work	495,567	2.8	N/A	N/A
Other receivables	389,352	2.2	606,517	3.6
Less allowance for doubtful accounts	(75,330)	0.4	(107,049)	0.6
Total receivables, net	9,232,611	53.0	9,487,748	55.9
Inventories	898,375	5.2	484,768	2.9
Costs and recognized earnings in excess of billings on uncompleted contracts	794,481	4.6	893,169	5.3
Investments in construction joint ventures	135,366	0.8	217,647	1.3
Other current assets	394,134	2.3	570,326	3.4
Total current assets	14,258,657	81.8	14,103,640	83.0
Property, plant and equipment	5,024,671	28.8	5,128,745	30.2
Less accumulated depreciation	(2,869,748)	16.5	(2,888,472)	17.0
Property, plant and equipment, net	2,154,923	12.4	2,240,273	13.2
Other assets	657,463	3.8	614,253	3.6
Intangible assets	356,315	2.0	26,785	0.2
Total assets	$17,427,357	100.0%	$16,984,951	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$461,854	2.7%	$627,892	3.7%
Accounts payable				
Trade, including currently due subcontractors	4,300,617	24.7	4,176,157	24.6
Subcontractor retainages	1,047,272	6.0	945,552	5.6
Other	110,459	0.6	701,130	4.1
Total accounts payable	5,458,349	31.3	5,822,839	34.3
Accrued expenses	923,808	5.3	929,891	5.5
Billings in excess of costs and recognized earnings on uncompleted contracts	1,416,329	8.1	1,878,088	11.1
Income taxes				
Current	178,125	1.0	265,086	1.6
Deferred	169,657	1.0	280,907	1.7
Total income taxes	347,782	2.0	545,994	3.2
Other current liabilities	510,835	2.9	592,629	3.5
Total current liabilities	9,118,958	52.3	10,397,132	61.2
Long-term debt, excluding current portion	1,714,499	9.8	1,590,791	9.4
Deferred income taxes	181,184	1.0	234,239	1.4
Other	416,647	2.4	957,361	5.6
Minority interests	51,501	0.3	61,764	0.4
Total liabilities	11,482,869	65.9	13,241,387	78.0
Net worth				
Stock, par value	877,006	5.0	360,975	2.1
Additional paid-in capital	477,610	2.7	799,997	4.7
Retained earnings	4,946,635	28.4	2,863,808	16.9
Treasury stock	(356,762)	2.0	(281,215)	1.7
Total net worth	5,944,489	34.1	3,743,564	22.0
Total liabilities and net worth	$17,427,357	100.0%	$16,984,951	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$42,749,199	98.9%	$47,724,797	98.8%
Other revenue	493,104	1.1	559,889	1.2
Total revenue	43,242,303	100.0	48,284,686	100.0
Contract cost	(36,657,633)	84.8	(42,671,531)	88.4
Other cost	(645,199)	1.5	(275,150)	0.6
Total cost	(37,302,833)	86.3	(42,946,682)	88.9
Gross Profit	5,939,471	13.7	5,338,004	11.1
Selling, general and administrative expenses	(4,815,514)	11.1	(3,984,639)	8.3
Interest income	293,494	0.7	N/A	N/A
Interest expense	(377,856)	0.9	N/A	N/A
Other income (expense), net	(67,580)	0.2	(406,902)	0.8
Net earnings (loss) before taxes	972,014	2.2	946,463	2.0
Income taxes	(373,473)	0.9	(465,706)	1.0
Net earnings (loss)	$598,542	1.4%	$480,757	1.0%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	169
1989	162

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.6	1.4
Quick Ratio	1.3	1.1
Days of Cash	17.3	15.2
Work. Cap. Turnover	8.4	13.0
Profitability Ratios		
Return on Assets	3.4%	2.8%
Return on Equity	10.1%	12.8%
Times Interest Earned	3.6	10.0
Leverage Ratios		
Debt to Equity	1.9	3.5
Revenue to Equity	7.3	12.9
Asset Turnover	2.5	2.8
Fixed Asset Ratio	36.3%	39.5%
Equity to G & A Expenses	1.2	0.9
Underbillings to Equity	21.7%	23.9%
Average Backlog to Equity	9.6	7.8
Average Backlog to Working Capital	11.1	10.8
Average Months in Backlog	15.9	7.4
Efficiency Ratios		
Days in Accounts Receivable	76.9	70.7
Days in Inventory	8.7	4.1
Days in Accounts Payable	52.7	48.8
Operating Cycle	50.2	41.2

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ALL COMPANIES
SOUTHEAST REGION

BALANCE SHEET

	1990 Participants		1989 Participants			1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
Current assets					Current liabilities				
Cash and cash equivalents	$2,109,491	8.3%	$2,404,299	15.3%	Current portion of long-term debt	$1,053,484	4.2%	$459,805	2.9%
Marketable securities and short-term investments	1,389,860	5.5	1,010,621	6.4	Accounts payable				
Receivables:					Trade, including currently due subcontractors	7,944,069	31.3	4,619,887	29.3
Contract receivables currently due	8,404,666	33.2	6,470,680	41.1	Subcontractor retainages	1,719,642	6.8	986,029	6.3
Retainages on contracts	2,524,612	10.0	1,604,896	10.2	Other	1,605,794	6.3	473,930	3.0
Unbilled work	599,190	2.4	N/A	N/A					
Other receivables	615,862	2.4	489,070	3.1	Total accounts payable	11,269,504	44.5	6,079,846	38.6
Less allowance for doubtful accounts	(46,059)	0.2	(25,042)	0.2					
					Accrued expenses	1,665,239	6.6	983,724	6.2
Total receivables, net	12,096,270	47.7	8,539,604	54.2	Billings in excess of costs and recognized earnings on uncompleted contracts	2,898,471	11.4	1,448,564	9.2
Inventories	822,805	3.2	234,138	1.5	Income taxes				
Costs and recognized earnings in excess of billings on uncompleted contracts	1,418,343	5.6	741,663	4.7	Current	162,861	0.6	112,126	0.7
Investments in construction joint ventures	451,722	1.8	135,892	0.9	Deferred	100,645	0.4	133,812	0.8
Other current assets	1,478,323	5.8	501,578	3.2	Total income taxes	263,506	1.0	245,938	1.6
					Other current liabilities	869,763	3.4	161,100	1.0
Total current assets	19,768,817	78.0	13,567,994	86.2	Total current liabilities	18,019,967	71.1	9,378,977	59.6
Property, plant and equipment	7,664,967	30.2	3,822,996	24.3					
Less accumulated depreciation	(3,839,288)	15.1	(2,007,046)	12.7	Long-term debt, excluding current portion	1,001	0.0	1,909,451	12.1
					Deferred income taxes	399	0.0	78,430	0.5
Property, plant and equipment, net	3,825,678	15.1	1,815,950	11.5	Other	839	0.0	253,855	1.6
					Minority interests	13	0.0	120,411	0.8
Other assets	1,700,254	6.7	331,451	2.1	Total liabilities	18,022,218	71.1	11,741,123	74.6
Intangible assets	58,032	0.2	30,659	0.2					
					Net worth				
					Stock, par value	800,027	3.2	310,333	2.0
					Additional paid-in capital	2,269,051	8.9	542,658	3.4
					Retained earnings	4,920,566	19.4	3,233,812	20.5
					Treasury stock	(559,114)	2.6	(81,161)	0.5
					Total net worth	7,330,533	28.9	4,004,933	25.4
Total assets	$25,352,781	100.0%	$15,746,055	100.0%	Total liabilities and net worth	$25,352,781	100.0%	$15,746,055	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$72,044,743	99.5%	$46,397,888	98.8%
Other revenue	354,464	0.5	576,306	1.2
Total revenue	72,399,207	100.0	46,974,195	100.0
Contract cost	(67,463,254)	93.2	(42,203,752)	89.8
Other cost	(199,358)	0.3	(266,392)	0.6
Total cost	(67,662,613)	93.5	(42,470,143)	90.4
Gross Profit	4,736,595	6.5	4,504,052	9.6
Selling, general and administrative expenses	(3,571,161)	4.9	(3,866,156)	8.2
Interest income	222,575	0.3	N/A	N/A
Interest expense	(293,387)	0.4	N/A	N/A
Other income (expense), net	157,680	0.2	324,613	0.7
Net earnings (loss) before taxes	1,252,301	1.7	962,509	2.0
Income taxes	(444,491)	0.6	(272,684)	0.6
Net earnings (loss)	$807,810	1.1%	$689,825	1.5%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	125
1989	110

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.1	1.4
Quick Ratio	0.9	1.3
Days of Cash	10.5	18.4
Work. Cap. Turnover	41.4	11.2
Profitability Ratios		
Return on Assets	3.2%	4.4%
Return on Equity	11.0%	17.2%
Times Interest Earned	5.3	47.2
Leverage Ratios		
Debt to Equity	2.5	2.9
Revenue to Equity	9.9	11.7
Asset Turnover	2.9	3.0
Fixed Asset Ratio	52.2%	45.3%
Equity to G & A Expenses	2.1	1.0
Underbillings to Equity	27.5%	18.5%
Average Backlog to Equity	8.7	12.5
Average Backlog to Working Capital	36.6	9.9
Average Months in Backlog	10.6	6.9
Efficiency Ratios		
Days in Accounts Receivable	60.2	65.4
Days in Inventory	4.4	2.0
Days in Accounts Payable	60.0	51.5
Operating Cycle	15.1	34.3

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ALL COMPANIES
MIDWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants			1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
Current assets					Current liabilities				
Cash and cash equivalents	$1,341,132	9.7%	$1,993,830	10.5%	Current portion of long-term debt	$570,710	4.1%	$507,143	2.7%
Marketable securities and short-term investments	873,137	6.3	816,185	4.3	Accounts payable				
Receivables:					Trade, including currently due subcontractors	3,511,850	25.4	5,468,332	28.9
Contract receivables currently due	5,353,381	38.7	7,753,568	40.9	Subcontractor retainages	816,040	5.9	890,127	4.7
Retainages on contracts	1,394,690	10.1	1,469,787	7.8	Other	285,009	2.1	84,821	0.4
Unbilled work	106,488	0.8	N/A	N/A					
Other receivables	345,906	2.5	311,986	1.6	Total accounts payable	4,612,899	33.3	6,452,280	34.0
Less allowance for doubtful accounts	(25,414)	0.2	(77,346)	0.4	Accrued expenses	706,705	5.1	1,156,353	6.1
Total receivables, net	7,175,050	51.9	9,457,995	49.9	Billings in excess of costs and recognized earnings on uncompleted contracts	1,206,784	8.7	1,846,116	9.7
Inventories	362,982	2.6	343,171	1.8	Income taxes				
Costs and recognized earnings in excess of billings on uncompleted contracts	877,234	6.3	1,256,019	6.6	Current	77,383	0.6	193,957	1.0
Investments in construction joint ventures	157,762	1.1	574,836	3.0	Deferred	171,866	1.2	321,095	1.7
Other current assets	212,660	1.5	598,291	3.2	Total income taxes	249,258	1.8	515,052	2.7
					Other current liabilities	371,758	2.7	412,472	2.2
Total current assets	10,999,956	79.5	15,040,327	79.4	Total current liabilities	7,718,113	55.8	10,669,415	57.5
Property, plant and equipment	4,513,521	32.6	4,690,885	24.8					
Less accumulated depreciation	(2,613,517)	18.9	(2,677,458)	14.1	Long-term debt, excluding current portion	1,075,831	7.8	1,871,991	9.9
					Deferred income taxes	90,029	0.7	241,949	1.3
Property, plant and equipment, net	1,900,004	13.7	2,013,427	10.6	Other	65,479	0.5	79,800	0.4
					Minority interests	10,601	0.1	119,538	0.6
Other assets	915,013	6.6	1,764,975	9.3	Total liabilities	8,960,054	64.8	13,202,692	69.7
Intangible assets	18,572	0.1	131,628	0.7	Net worth				
					Stock, par value	308,499	2.2	265,028	1.4
					Additional paid-in capital	503,123	3.6	1,180,933	6.2
					Retained earnings	4,378,594	31.7	4,436,664	23.4
					Treasury stock	(316,726)	2.3	(134,956)	0.7
					Total net worth	4,873,490	35.2	5,747,666	30.3
Total assets	$13,833,545	100.0%	$18,950,358	100.0%	Total liabilities and net worth	$13,833,545	100.0%	$18,950,358	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$40,557,787	98.2%	$55,700,147	98.9%
Other revenue	731,312	1.8	615,369	1.1
Total revenue	41,289,099	100.0	56,315,516	100.0
Contract cost	(35,052,317)	84.9	(51,186,158)	90.9
Other cost	(271,512)	0.7	(460,754)	0.8
Total cost	(35,323,830)	85.6	(51,646,912)	91.7
Gross Profit	5,965,270	14.4	4,666,604	8.3
Selling, general and administrative expenses	(5,112,958)	12.4	(3,588,416)	6.4
Interest income	399,401	1.0	N/A	N/A
Interest expense	(297,666)	0.7	N/A	N/A
Other income (expense), net	112,029	0.3	145,975	0.3
Net earnings (loss) before taxes	1,066,075	2.6	1,224,163	2.2
Income taxes	(350,369)	0.8	(428,554)	0.8
Net earnings (loss)	$715,706	1.7%	$795,609	1.4%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	135
1989	103

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.4	1.4
Quick Ratio	1.2	1.1
Days of Cash	11.7	12.7
Work. Cap. Turnover	12.6	13.8
Profitability Ratios		
Return on Assets	5.2%	4.2%
Return on Equity	14.7%	13.8%
Times Interest Earned	4.6	19.5
Leverage Ratios		
Debt to Equity	1.8	2.3
Revenue to Equity	8.5	9.8
Asset Turnover	3.0	3.0
Fixed Asset Ratio	39.0%	35.0%
Equity to G & A Expenses	1.0	1.6
Underbillings to Equity	20.2%	21.9%
Average Backlog to Equity	7.2	11.4
Average Backlog to Working Capital	10.8	14.5
Average Months in Backlog	10.3	6.8
Efficiency Ratios		
Days in Accounts Receivable	62.6	60.5
Days in Inventory	3.7	2.4
Days in Accounts Payable	47.0	45.0
Operating Cycle	30.9	30.6

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ALL COMPANIES
SOUTHWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$2,652,515	12.9%	$2,821,136	5.9%
Marketable securities and short-term investments	517,671	2.5	2,476,588	5.2
Receivables:				
Contract receivables currently due	5,667,029	27.5	12,830,896	26.8
Retainages on contracts	1,836,257	8.9	2,512,189	5.2
Unbilled work	479,055	2.3	N/A	N/A
Other receivables	902,525	4.4	1,535,357	3.2
Less allowance for doubtful accounts	(82,928)	0.4	(322,209)	0.7
Total receivables, net	8,801,938	42.7	16,556,233	34.6
Inventories	417,691	2.0	1,227,461	2.6
Costs and recognized earnings in excess of billings on uncompleted contracts	822,992	4.0	3,504,723	7.3
Investments in construction joint ventures	102,908	0.5	457,449	1.0
Other current assets	183,183	0.9	5,835,830	12.2
Total current assets	13,498,897	65.5	32,879,419	68.6
Property, plant and equipment	10,162,644	49.3	24,195,002	50.5
Less accumulated depreciation	(4,367,249)	21.2	(15,338,520)	32.0
Property, plant and equipment, net	5,795,395	28.1	8,856,482	18.5
Other assets	1,281,633	6.2	5,595,198	11.7
Intangible assets	28,169	0.1	574,183	1.2
Total assets	$20,604,094	100.0%	$47,905,282	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$500,953	2.4%	$406,777	0.8%
Accounts payable				
Trade, including currently due subcontractors	3,721,787	18.1	8,656,415	18.1
Subcontractor retainages	781,491	3.8	1,448,353	3.0
Other	901,452	4.4	844,192	1.8
Total accounts payable	5,404,730	26.2	10,948,960	22.9
Accrued expenses	550,156	2.7	1,629,233	3.4
Billings in excess of costs and recognized earnings on uncompleted contracts	2,695,277	13.1	4,998,372	10.4
Income taxes				
Current	34,974	0.2	436,000	0.9
Deferred	217,231	1.1	(269,884)	-0.6
Total income taxes	252,204	1.2	166,116	0.3
Other current liabilities	377,273	1.8	2,932,619	6.1
Total current liabilities	9,780,594	47.5	21,082,077	44.0
Long-term debt, excluding current portion	3,281,576	15.9	7,080,576	14.8
Deferred income taxes	431,840	2.1	1,208,357	2.5
Other	312,382	1.5	2,273,657	4.7
Minority interests	9,492	0.0	263,999	0.6
Total liabilities	13,815,884	67.1	31,908,667	66.6
Net worth				
Stock, par value	462,591	2.2	812,800	1.7
Additional paid-in capital	483,041	2.3	8,298,711	17.3
Retained earnings	7,550,064	36.6	8,585,841	17.9
Treasury stock	(1,707,487)	8.3	(1,700,736)	3.6
Total net worth	6,788,210	32.9	15,996,616	33.4
Total liabilities and net worth	$20,604,094	100.0%	$47,905,282	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$51,602,261	95.4%	$107,457,782	98.1%
Other revenue	2,503,788	4.6	2,130,352	1.9
Total revenue	54,106,049	100.0	109,588,134	100.0
Contract cost	(47,131,699)	87.1	(98,773,124)	90.1
Other cost	(1,976,840)	3.7	(3,570,700)	3.3
Total cost	(49,108,539)	90.8	(102,343,824)	93.4
Gross Profit	4,997,510	9.2	7,244,310	6.6
Selling, general and administrative expenses	(5,402,353)	10.0	(5,266,386)	4.8
Interest income	526,090	1.0	N/A	N/A
Interest expense	(193,074)	0.4	N/A	N/A
Other income (expense), net	331,247	0.6	(72,149)	0.1
Net earnings (loss) before taxes	259,421	0.5	1,905,776	1.7
Income taxes	(71,692)	0.1	(780,282)	0.7
Net earnings (loss)	$187,729	0.3%	$1,125,494	1.0%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	48
1989	52

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.4	1.6
Quick Ratio	1.2	1.0
Days of Cash	17.6	8.3
Work. Cap. Turnover	14.6	8.3
Profitability Ratios		
Return on Assets	0.9%	2.3%
Return on Equity	2.8%	7.0%
Times Interest Earned	2.3	7.5
Leverage Ratios		
Debt to Equity	2.0	2.0
Revenue to Equity	8.0	6.9
Asset Turnover	2.6	2.3
Fixed Asset Ratio	85.4%	55.4%
Equity to G & A Expenses	1.3	3.0
Underbillings to Equity	19.2%	21.9%
Average Backlog to Equity	6.3	8.2
Average Backlog to Working Capital	11.4	10.7
Average Months in Backlog	9.4	7.2
Efficiency Ratios		
Days in Accounts Receivable	58.6	54.4
Days in Inventory	3.1	4.3
Days in Accounts Payable	39.6	38.5
Operating Cycle	39.7	29.5

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ALL COMPANIES
WEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$1,992,170	10.7%	$2,067,356	12.2%
Marketable securities and short term investments	355,195	1.9	714,603	4.2
Receivables:				
Contract receivables currently due	5,279,254	28.5	5,418,708	32.1
Retainages on contracts	1,672,716	9.0	1,338,223	7.9
Unbilled work	211,987	1.1	N/A	N/A
Other receivables	424,321	2.3	575,818	3.4
Less allowance for doubtful accounts	(73,353)	0.4	(19,308)	0.1
Total receivables, net	7,514,926	40.5	7,313,441	43.3
Inventories	813,858	4.4	2,068,112	12.2
Costs and recognized earnings in excess of billings on uncompleted contracts	429,101	2.3	452,619	2.7
Investments in construction joint ventures	151,982	0.8	305,722	1.8
Other current assets	401,277	2.2	378,425	2.2
Total current assets	11,658,508	62.9	13,300,277	78.7
Property, plant and equipment	10,783,602	58.2	7,893,197	46.7
Less accumulated depreciation	(5,157,863)	27.8	(5,213,127)	30.9
Property, plant and equipment, net	5,625,738	30.4	2,680,070	15.9
Other assets	827,438	4.5	866,886	5.1
Intangible assets	421,627	2.3	45,918	0.3
Total assets	$18,533,311	100.0%	$16,893,150	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long term debt	$1,381,639	7.5%	$475,773	2.8%
Accounts payable				
Trade, including currently due subcontractors	3,961,040	21.4	4,429,044	26.2
Subcontractor retainages	1,067,231	5.8	1,050,268	6.2
Other	168,270	0.9	162,936	1.0
Total accounts payable	5,196,540	28.0	5,642,248	33.4
Accrued expenses	1,035,823	5.6	631,764	3.7
Billings in excess of costs and recognized earnings on uncompleted contracts	967,083	5.2	1,063,464	6.3
Income taxes				
Current	139,597	0.8	124,908	0.7
Deferred	222,297	1.2	261,956	1.6
Total income taxes	361,894	2.0	386,864	2.3
Other current liabilities	60,190	0.3	190,251	1.1
Total current liabilities	9,003,170	48.6	8,390,362	49.7
Long term debt, excluding current portion	2,260,938	12.2	2,925,384	17.3
Deferred income taxes	324,551	1.8	442,730	2.6
Other	731,500	3.9	124,758	0.7
Minority interests	116,124	0.6	208,681	1.2
Total liabilities	12,436,283	67.1	12,091,915	71.6
Net worth				
Stock, par value	320,407	1.7	404,013	2.4
Additional paid in capital	1,625,988	8.8	496,907	2.9
Retained earnings	4,292,025	23.2	4,021,232	23.8
Treasury stock	(141,391)	0.8	(120,966)	0.7
Total net worth	6,097,029	32.9	4,801,235	28.4
Total liabilities and net worth	$18,533,311	100.0%	$16,893,150	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$36,158,929	94.2%	$45,651,489	95.6%
Other revenue	2,220,218	5.8	2,108,728	4.4
Total revenue	38,379,148	100.0	47,760,217	100.0
Contract cost	(31,629,710)	82.4	(41,694,639)	87.3
Other cost	(1,907,365)	5.0	(1,517,974)	3.2
Total cost	(33,537,076)	87.4	(43,212,614)	90.5
Gross Profit	4,842,072	12.6	4,547,603	9.5
Selling, general and administrative expenses	(3,767,790)	9.8	(2,964,287)	6.2
Interest income	264,616	0.7	N/A	N/A
Interest expense	(437,044)	1.1	N/A	N/A
Other income (expense), net	245,889	0.6	66,289	0.1
Net earnings (loss) before taxes	1,147,743	3.0	1,629,605	3.4
Income taxes	(469,450)	1.2	(352,648)	0.7
Net earnings (loss)	$678,293	1.8%	$1,276,957	2.7%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	72
1989	45

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.3	1.6
Quick Ratio	1.1	1.2
Days of Cash	18.7	15.6
Work Cap. Turnover	14.5	9.7
Profitability Ratios		
Return on Assets	3.7%	7.6%
Return on Equity	11.1%	26.6%
Times Interest Earned	3.6	12.2
Leverage Ratios		
Debt to Equity	2.0	2.5
Revenue to Equity	6.3	9.9
Asset Turnover	2.1	2.8
Fixed Asset Ratio	92.3%	55.8%
Equity to G & A Expenses	1.6	1.6
Underbillings to Equity	10.5%	9.4%
Average Backlog to Equity	5.5	14.1
Average Backlog to Working Capital	12.5	22.1
Average Months in Backlog	10.4	10.0
Efficiency Ratios		
Days in Accounts Receivable	70.5	55.1
Days in Inventory	8.7	17.2
Days in Accounts Payable	55.8	47.0
Operating Cycle	42.1	40.9

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ALL COMPANIES
FARWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$2,565,060	10.5%	$1,978,531	11.2%
Marketable securities and short-term investments	522,746	2.1	369,678	2.1
Receivables:				
Contract receivables currently due	7,432,346	30.3	6,058,384	34.3
Retainages on contracts	2,069,702	8.4	1,524,788	8.6
Unbilled work	230,430	0.9	N/A	N/A
Other receivables	698,013	2.8	556,644	3.1
Less allowance for doubtful accounts	(43,615)	0.2	(89,137)	0.4
Total receivables, net	10,386,876	42.3	8,070,679	45.7
Inventories	3,164,154	12.9	1,085,981	6.1
Costs and recognized earnings in excess of billings on uncompleted contracts	831,063	3.4	960,494	5.4
Investments in construction joint ventures	461,740	1.9	67,107	0.4
Other current assets	534,578	2.2	398,860	2.3
Total current assets	18,466,217	75.2	12,931,329	73.2
Property, plant and equipment	7,798,857	31.8	5,731,905	32.4
Less accumulated depreciation	(3,529,763)	14.4	(1,964,537)	11.1
Property, plant and equipment, net	4,269,094	17.4	3,767,367	21.3
Other assets	1,673,438	6.8	949,141	5.4
Intangible assets	136,014	0.6	28,300	0.2
Total assets	$24,544,763	100.0%	$17,676,138	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$2,042,352	8.3%	$1,646,759	9.3%
Accounts payable				
Trade, including currently due subcontractors	5,325,080	21.7	4,865,434	27.5
Subcontractor retainages	1,454,531	5.9	1,077,488	6.1
Other	255,409	1.0	200,476	1.1
Total accounts payable	7,035,020	28.7	6,143,398	34.8
Accrued expenses	1,375,494	5.6	887,171	5.0
Billings in excess of costs and recognized earnings on uncompleted contracts	1,954,261	8.0	1,240,662	7.0
Income taxes				
Current	82,442	0.3	99,778	0.6
Deferred	368,041	1.5	261,092	1.5
Total income taxes	450,483	1.8	360,870	2.0
Other current liabilities	278,692	1.1	318,962	1.8
Total current liabilities	13,136,302	53.5	10,598,022	60.0
Long-term debt, excluding current portion	2,619,273	10.7	2,453,211	13.9
Deferred income taxes	296,048	1.2	110,566	0.6
Other	819,318	3.3	292,525	1.7
Minority interests	226,821	0.9	187,589	1.1
Total liabilities	17,097,761	69.7	13,641,914	77.2
Net worth				
Stock, par value	807,582	3.3	433,391	2.5
Additional paid in capital	988,650	4.0	490,314	2.8
Retained earnings	5,992,764	24.0	3,166,552	17.9
Treasury stock	(241,995)	1.0	(56,033)	0.3
Total net worth	7,447,002	30.3	4,034,223	22.8
Total liabilities and net worth	$24,544,763	100.0%	$17,676,138	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$48,689,279	93.7%	$45,516,872	97.7%
Other revenue	3,276,143	6.3	1,064,390	2.3
Total revenue	51,965,422	100.0	46,581,262	100.0
Contract cost	(44,378,424)	85.4	(41,589,230)	89.3
Other cost	(2,342,430)	4.5	(842,270)	1.8
Total cost	(46,720,854)	89.9	(42,431,501)	91.1
Gross Profit	5,244,567	10.1	4,149,761	8.9
Selling, general and administrative expenses	(3,232,716)	6.2	(3,048,805)	6.5
Interest income	284,054	0.5	N/A	N/A
Interest expense	(244,440)	0.5	N/A	N/A
Other income (expense), net	(213,172)	0.4	(31,457)	0.1
Net earnings (loss) before taxes	1,838,293	3.5	1,069,499	2.3
Income taxes	(256,435)	0.5	(117,949)	0.3
Net earnings (loss)	$1,581,858	3.0%	$951,550	2.0%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	166
1989	127

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.4	1.2
Quick Ratio	1.0	1.0
Days of Cash	17.8	15.3
Work. Cap. Turnover	9.7	20.0
Profitability Ratios		
Return on Assets	6.4%	5.4%
Return on Equity	21.2%	23.6%
Times Interest Earned	8.5	22.6
Leverage Ratios		
Debt to Equity	2.3	3.4
Revenue to Equity	7.0	11.5
Asset Turnover	2.1	2.6
Fixed Asset Ratio	57.3%	60.4%
Equity to G & A Expenses	2.3	1.3
Underbillings to Equity	14.3%	23.8%
Average Backlog to Equity	5.8	13.8
Average Backlog to Working Capital	8.1	21.6
Average Months in Backlog	9.9	16.7
Efficiency Ratios		
Days in Accounts Receivable	72.0	62.4
Days in Inventory	24.4	9.2
Days in Accounts Payable	54.2	52.1
Operating Cycle	59.9	34.8

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INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS

INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS

Foreword

Of the 795 survey respondents, 329 or 41% represented Industrial and Nonresidential contractors. The SIC codes include Operative builders (SIC code 1531), Industrial buildings and warehouses (SIC code 1541), and Nonresidential construction (SIC code 1542). This section of the survey includes various charts, tables, and financial data relating to these 329 contractors. The Industrial and Nonresidential classification of contractor represents the largest of the five contractor classifications in the survey.

TABLE OF CONTENTS PAGE

CORPORATE PROFILE OF INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS

Legal Form of Business 56
Ownership of Business 56
Type of Contractor 56
Role of Contractor 57
Union/Open Shop Contractor 57
Location of Work 57
Source of Work 58
Longevity 58
Employee Benefits 58
Bonded Work 62
Self-Insurance 61
Types of Retainage 61
Cash Management 62
Substance Abuse Testing 63
Other Characteristics 64
Opinions 65

ACCOUNTING POLICIES AND METHODS

Contract Revenue Recognition Policies 66
Investments in Joint Ventures 68
Depreciation Methods 68
Inventory Valuation Methods 68

FINANCIAL DATA

Selected Financial Data 69
Composite Financial Data 70
Selected Regional Financial Data 71
Regional Financial Data 72
Selected Size Financial Data 78
Size Financial Data 79

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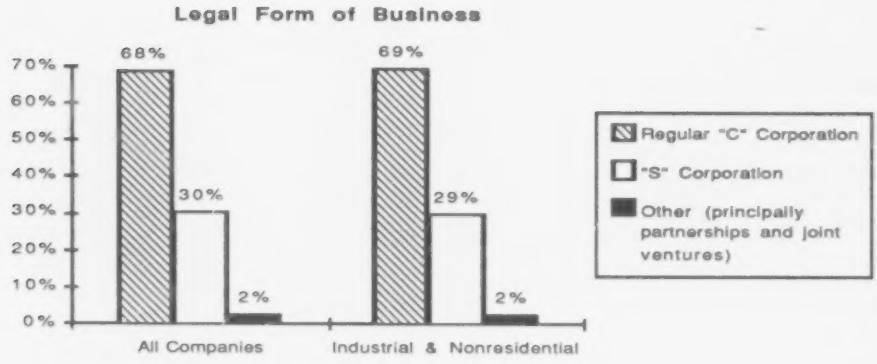
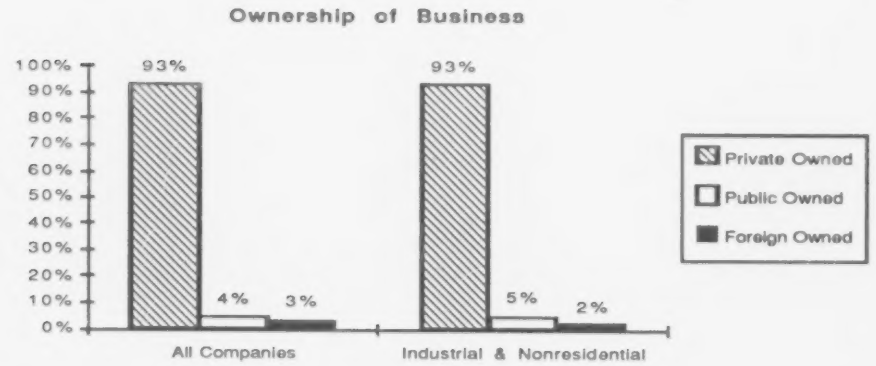
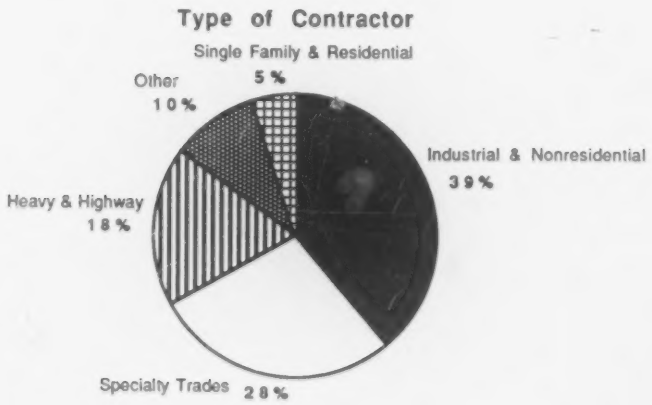
CORPORATE PROFILE







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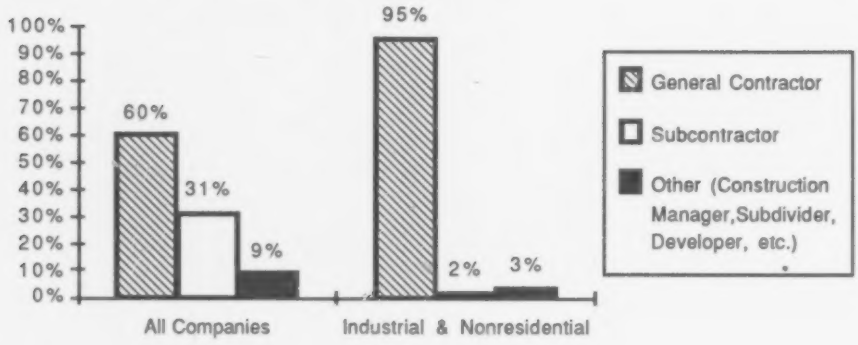
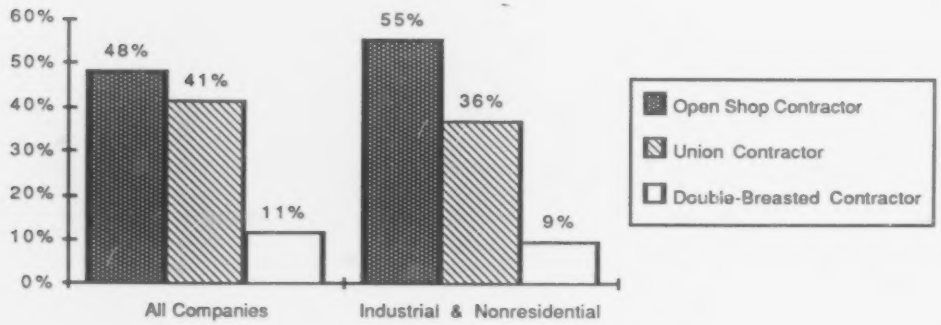
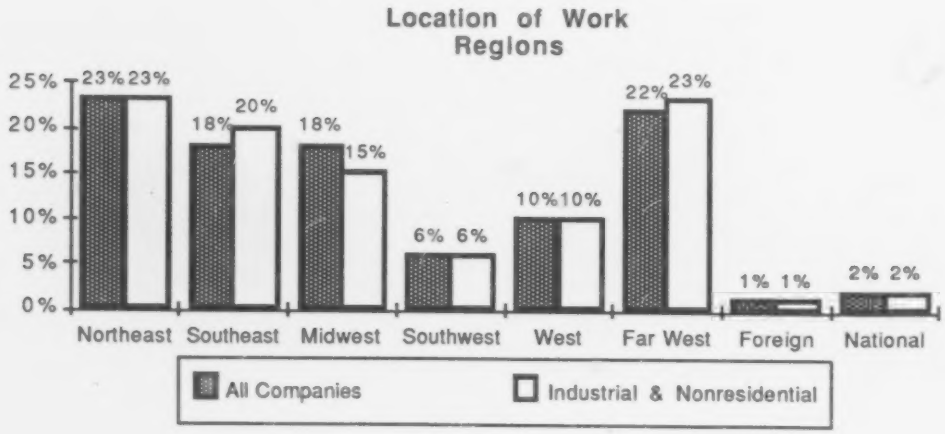
Role of Contractor



Union/Open Shop Contractors



Location of Work Regions



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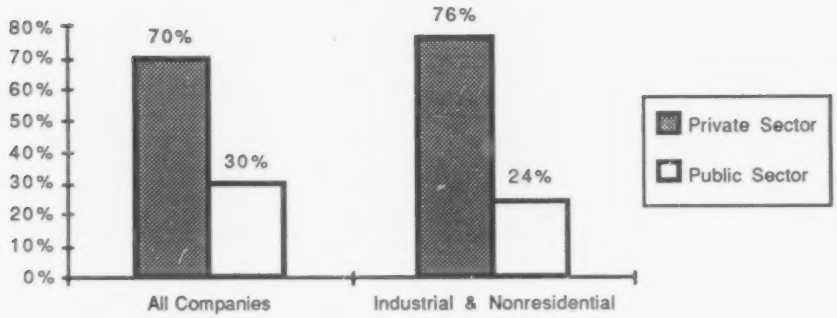
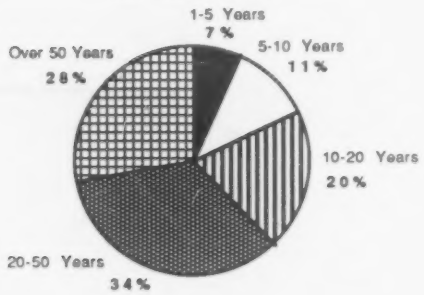
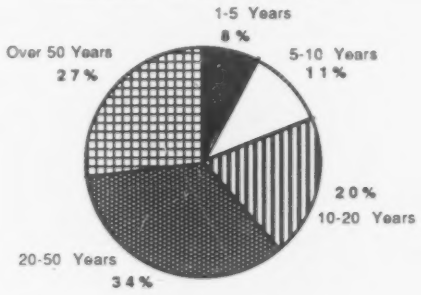
Source of Work



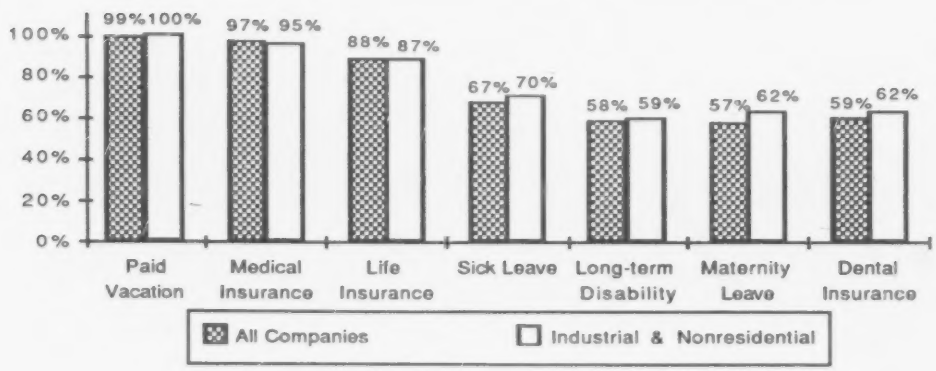
Longevity of Business
All Companies



Longevity of Business
Industrial & Nonresidential



Most Common Employee Benefits
(Percentage of Salaried Employees Having Benefit)



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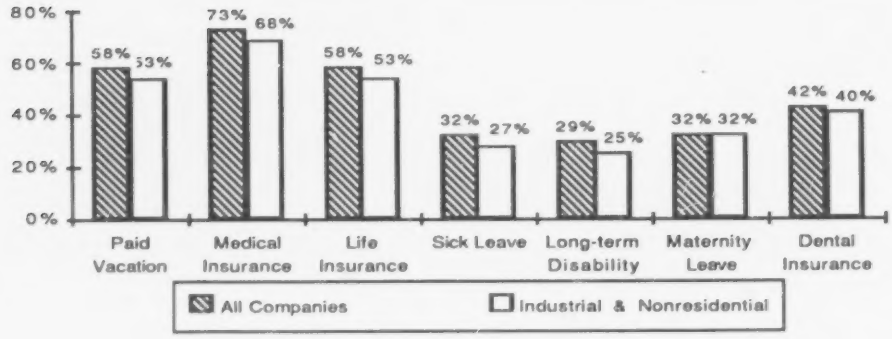
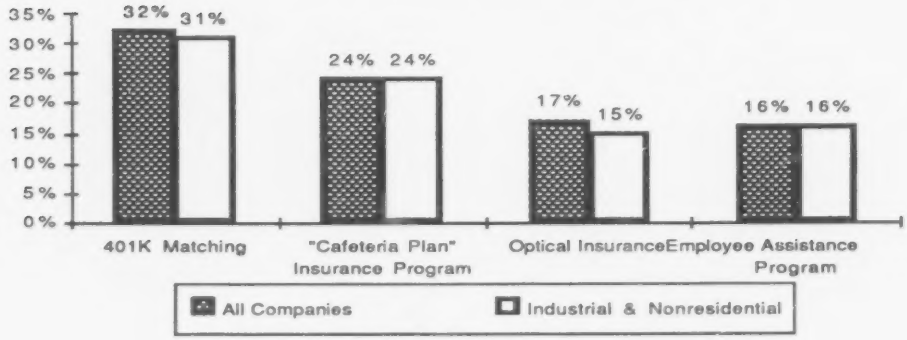
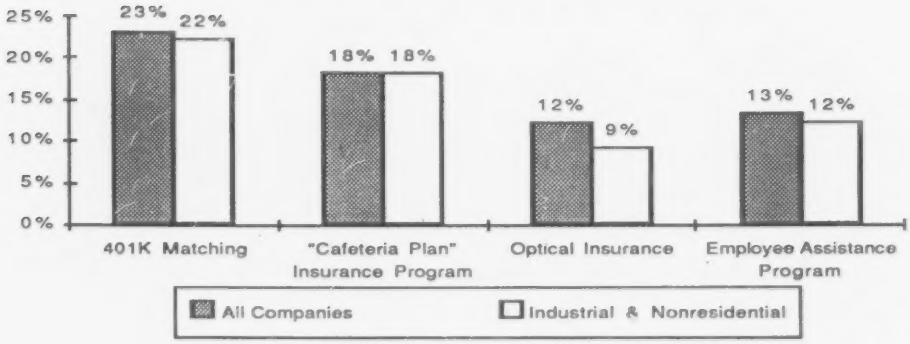
Most Common Employee Benefits
(Percentage of Hourly Employees Having Benefit)



Least Common Employee Benefits
(Percentage of Salaried Employees Having Benefit)



Least Common Employee Benefits
(Percentage of Hourly Employees Having Benefit)



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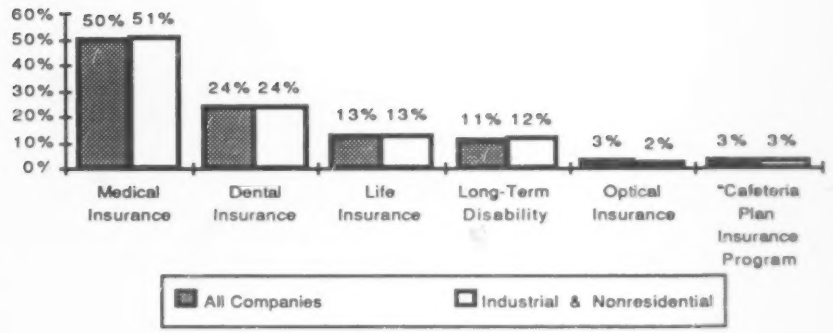
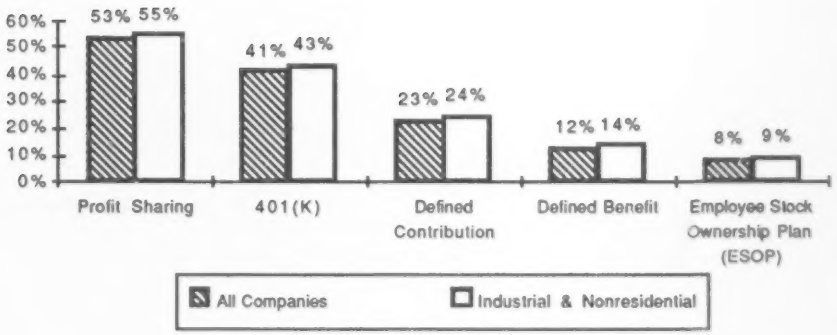
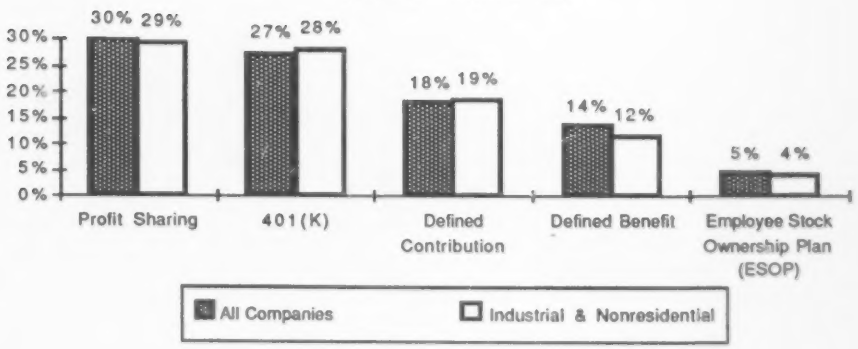
Employee Pays a Portion of Benefits



Employee Benefit Plans (Salaried Employees)



Employee Benefit Plans (Hourly Employees)



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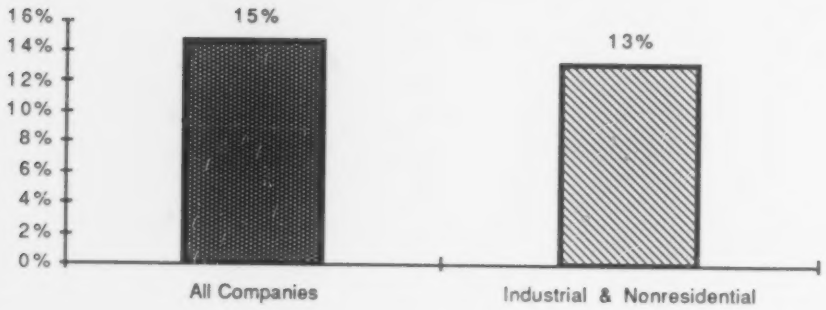
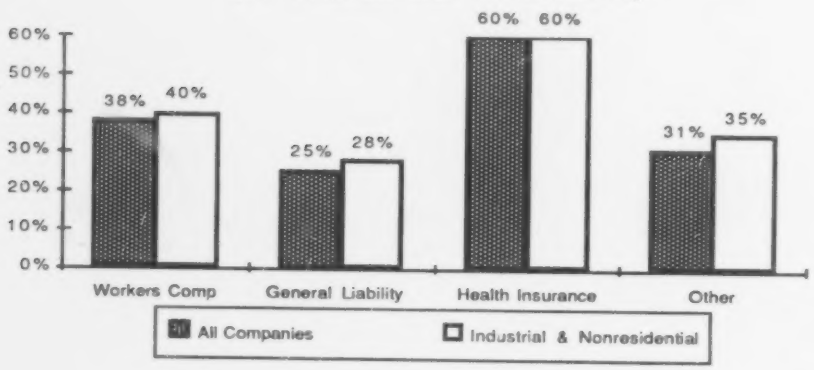
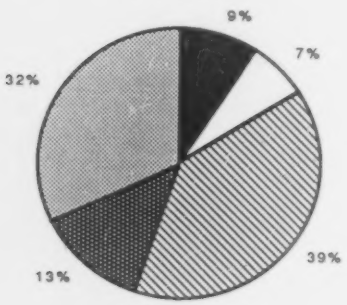
Companies which are Self-Insured

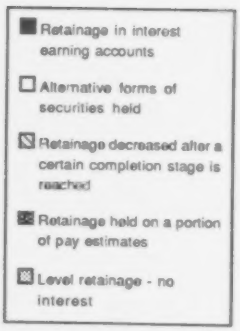


Areas of Self-Insurance
(For Companies which are Self-Insured)

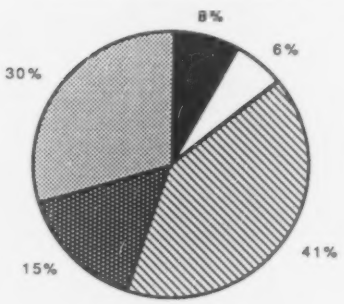


Types of Contract Retainage
All Companies




Retainage in interest earning accounts
Alternative forms of securities held
Retainage decreased after a certain completion stage is reached
Retainage held on a portion of pay estimates
Level retainage - no interest

Types of Contract Retainage
Industrial & Nonresidential



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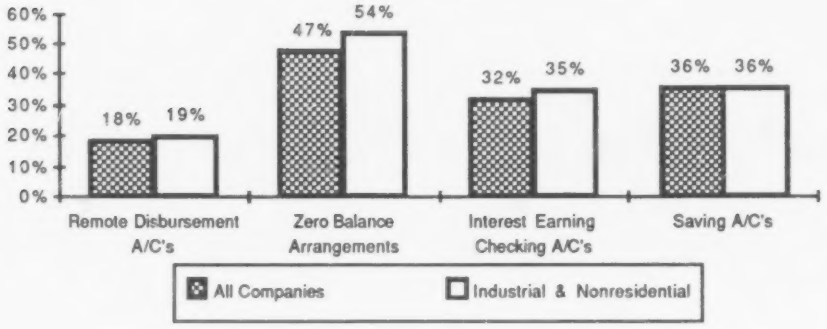
Look-back Method of Interest Computation for Completed Long-term Contracts

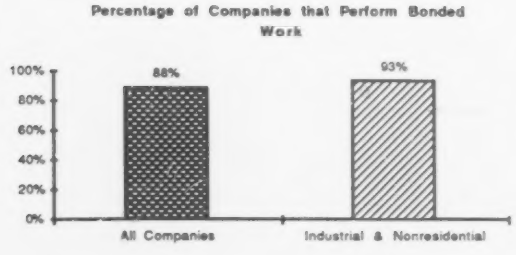
	All Companies	Industrial & Nonresidential
Average man hours incurred complying with the rule	40	41
Average additional outside tax consulting fees paid	$1,982	$2,017
Average amount to (from) IRS reported on Form 8697	$4,577	$3,855

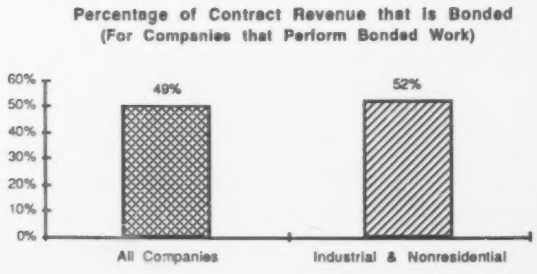
Cash Management



Bonuses

	Bonus Determined by:			
Applicable to:	Discretionary	Goal Attainment	Formula	Other
Corporate Executives	64%	13%	21%	2%
Project Managers	58%	18%	22%	2%
Project Superintendent	60%	19%	19%	2%
Estimators	71%	12%	15%	2%





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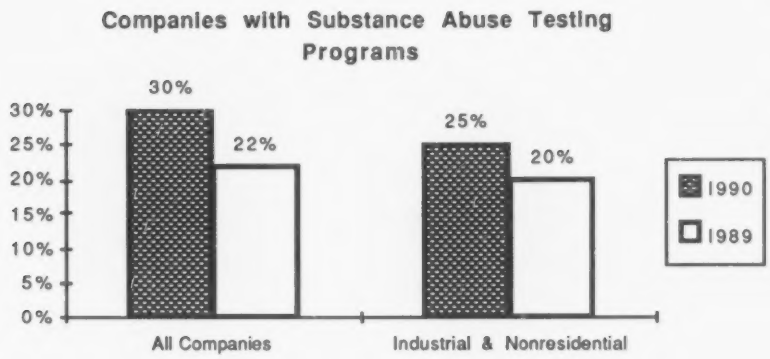

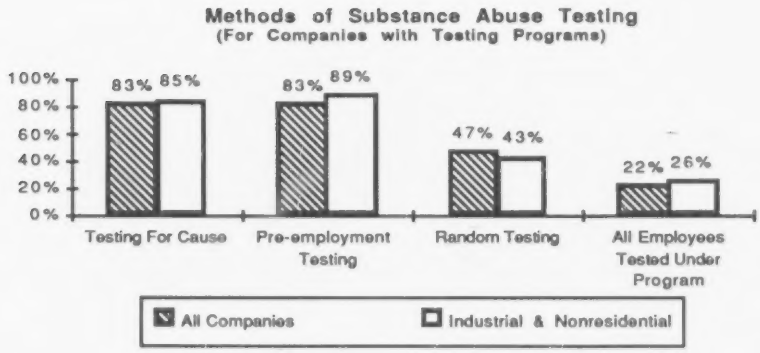

STAFFING

	Weighted Average Number of Employees
Corporate Executives	6
Construction Management	35
Construction Field Employees	349
Engineering and estimating	40
Accounting and Finance	12
Data Processing	3
Human Resources	4
Legal	1
Maintenance and Repair Shop	3
Marketing and Business Development	5
Internal Audit	0
All Others	35
Total employees	492

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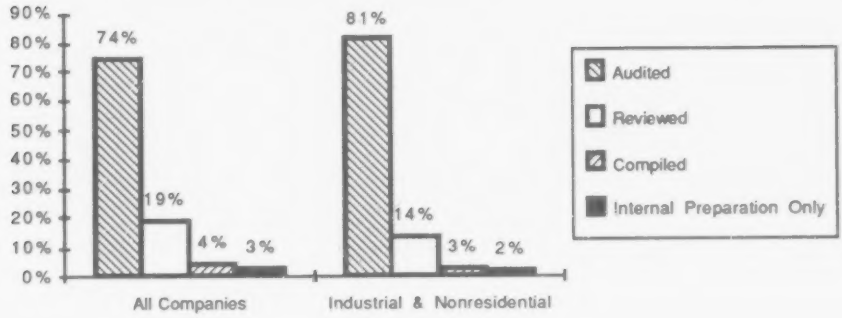
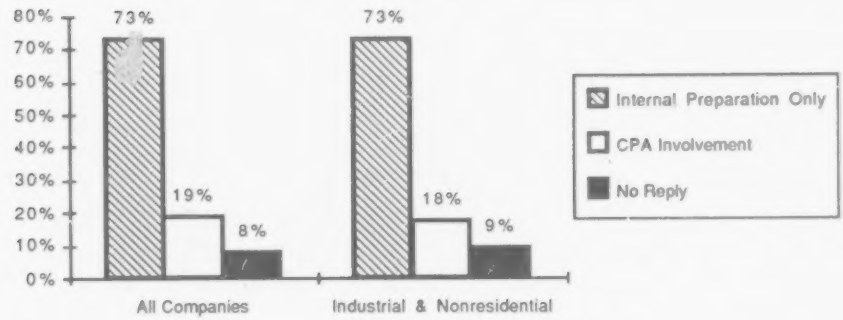
CORPORATE FINANCIAL STATEMENTS

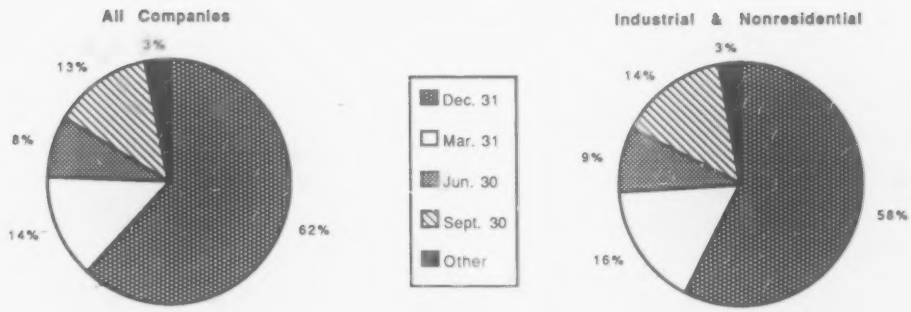
Annual Financial Statements



Interim Financial Statements



Corporate Fiscal Year-End



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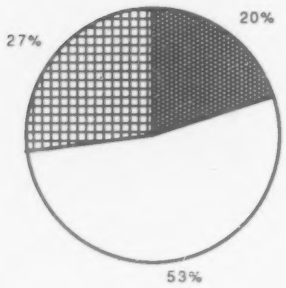
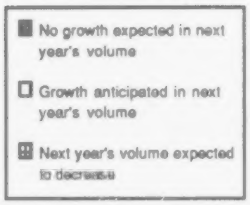
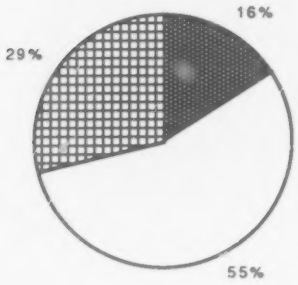
OPINIONS

All Companies




No growth expected in next year's volume
Growth anticipated in next year's volume
Next year's volume expected to decrease

Industrial & Nonresidential



Top Five Areas of Most Challenge in the Next Five Years

	Percent of Companies Selecting Area
Insurance (Workers comp., medical, life, etc.)	71%
Litigation	40%
Manpower Needs	34%
Surety Bonds	34%
Federal Tax Legislation	27%

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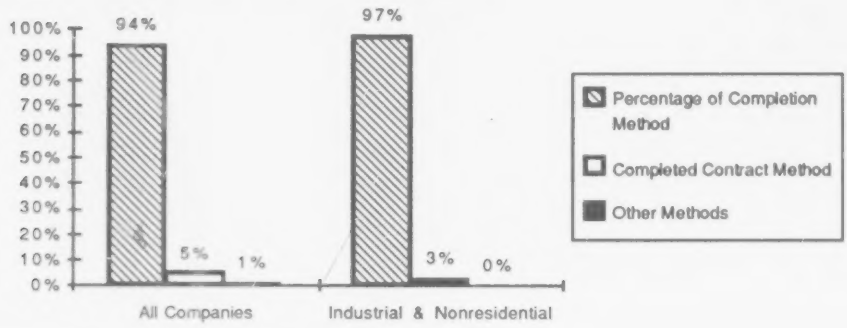
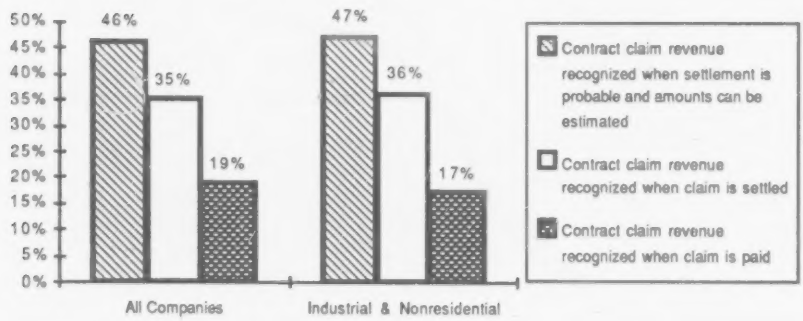
ACCOUNTING POLICIES AND PROCEDURES

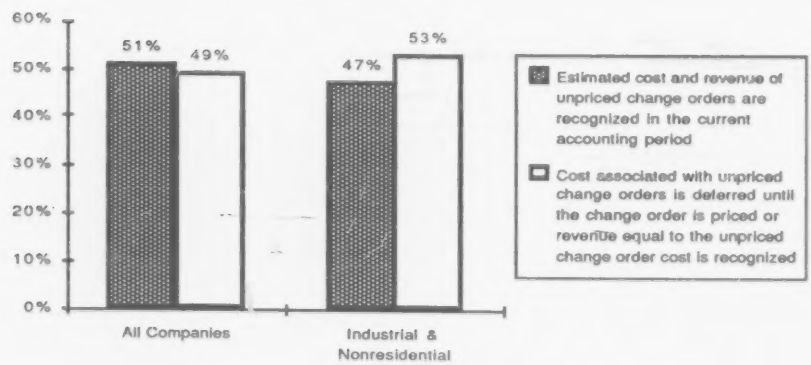
Contract Revenue Recognition



Contract Claim Revenue Recognition



Unpriced Change Order Cost



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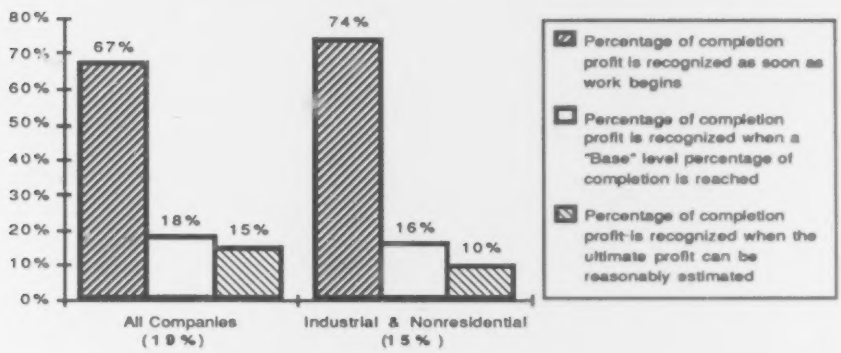
Profit Recognition Practices

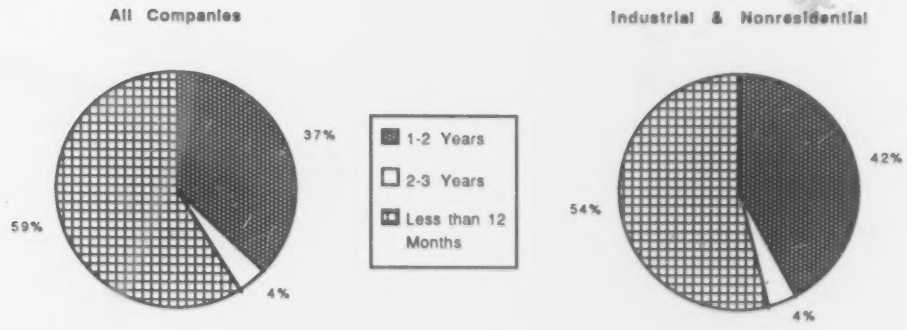


The percentages below the names represent the average "base" level of percentage completion at which contract profit recognition begins for those companies using such accounting policy.

Types of Contracts

Type of Contract	Percent of Work Performed	
	All Companies	Industrial & Nonresidential
Fixed Price	58%	57%
Cost Plus-Guaranteed Maximum	12%	24%
Unit Price	11%	1%
Time and Materials	8%	5%
Cost Plus	7%	9%
Construction Management	3%	4%
Others	1%	0%
Total	100%	100%

LENGTH OF CONTRACT



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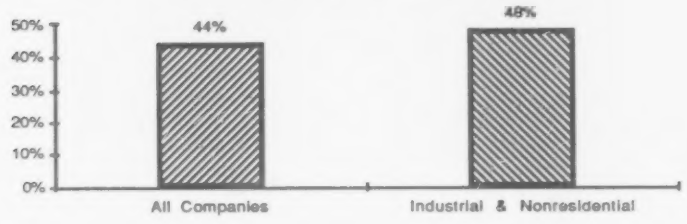
Percentage of Companies Participating in Joint Ventures in the Past Twelve Months



Investments in Joint Ventures

Accounting Method	Percentage of Each Method Used	
	All Companies	Industrial & Nonresidential
Equity Method	51%	51%
Full Consoloidation	14%	13%
Part Equity/Part Consolidation	11%	13%
Proportionate Consolidation	8%	7%
Cost Method	12%	12%
Expanded Equity Method	1%	1%
Other	3%	3%
Total	100%	100%

Depreciation Methods

	Percentage of Each Method Used			
	Straight Line		Accelerated Methods	
Category	All Companies	Industrial & Nonresidential	All Companies	Industrial & Nonresidential
Buildings	84%	83%	16%	17%
Office Equipment & Furniture	66%	64%	34%	36%
Construction Equipment	66%	64%	34%	36%
Automotive Equipment	66%	66%	34%	34%
Land Improvements	81%	80%	19%	20%
Other	75%	76%	25%	24%

Inventory Valuation Methods

Method	Percentage of Each Method Used	
	All Companies	Industrial & Nonresidential
FIFO	43%	40%
Specific Identification	21%	30%
Average Cost	24%	20%
LIFO	9%	6%
Other Methods	3%	4%
Total	100%	100%

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SELECTED FINANCIAL DATA

Industrial and Nonresidential Contractors

	All Companies	Industrial & Nonresidential
Number of Companies	695	291
Assets	$25,141	33,581
Liabilities	17,477	25,211
Net Worth	7,664	8,370
% Net Worth to Assets	30.5	24.9
Revenues	66,568	106,857
Gross Profit	5,951	5,734
% Gross Profit	8.9	5.4
G&A Expenses	4,558	4,490
% to Revenue	6.8	4.2
Net Income	962	1,138
% Net Income	1.4	1.1
Current Ratio	1.4	1.3
Return on Assets (%)	3.8	3.4
Return on Equity (%)	12.6	13.6

Note: All $ Amounts are in Thousands.

Discussion and Analysis

The composite balance sheet of the Industrial and Nonresidential contractor is approximately 34% larger than the composite for all companies responding to the survey. The Industrial and Nonresidential composite company has a net worth to assets percentage of 25% compared to 30% for all companies. The reason for this slight difference is because total liabilities for the Industrial and Nonresidential group is 75% of total assets compared to 70% for all companies. Also, a greater proportion of current liabilities is evidenced by the current ratio of the Industrial and Nonresidential companies being 1.3 compared to a current ratio of 1.4 for all companies. The quick ratios for both groups are similar.

The composite total revenue ($106,857) of the Industrial and Nonresidential companies represent 61% greater annual volume than the overall composite companies ($66,568). While the total revenue is greater, the gross profit as a percentage of revenue (5.4%) is less for the Industrial and Nonresidential companies compared to the overall composite companies (8.9%). This difference is likely due to generally lower bid margins as a percentage of contract revenue for the larger projects performed by the Industrial and Nonresidential contractor. Revenue increased approximately 27% from 1989 and, accordingly, net income increased by approximately 17%; however, the net income percentage had a slight decrease from 1.2% in 1989 to 1.1% in 1990.

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INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS
COMPOSITE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$3,926,772	11.7%	$3,988,884	13.1%
Marketable securities and short-term investn	1,085,910	3.2	1,615,796	5.3
Receivables:				
Contract receivables currently due	10,462,606	31.2	10,233,090	33.7
Retainages on contracts	3,908,790	11.6	2,952,481	9.7
Unbilled work	843,881	2.5	N/A	N/A
Other receivables	807,730	2.4	1,220,903	4.0
Less allowance for doubtful accounts	(31,711)	0.1	(91,393)	0.3
Total receivables, net	15,991,297	47.6	14,315,081	47.2
Inventories	581,049	1.7	492,072	1.6
Costs and recognized earnings in excess of billings on uncompleted contracts	2,159,000	6.4	1,415,818	4.7
Investments in construction joint ventures	370,861	1.1	560,801	1.8
Other current assets	1,318,363	3.9	1,729,441	5.7
Total current assets	25,433,253	75.7	24,117,892	79.5
Property, plant and equipment	8,360,029	24.9	7,878,484	26.0
Less accumulated depreciation	(3,046,768)	9.1	(4,559,040)	15.0
Property, plant and equipment, net	5,313,261	15.8	3,319,444	10.9
Other assets	2,753,033	8.2	2,540,785	8.4
Intangible assets	81,523	0.2	370,823	1.2
Total assets	$33,581,069	100.0%	$30,348,944	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$506,359	1.5%	$289,429	1.0%
Accounts payable				
Trade, including currently due subcontractors	9,209,250	27.4	9,004,845	29.7
Subcontractor retainages	3,353,813	10.0	2,500,041	8.2
Other	908,294	2.7	806,307	2.7
Total accounts payable	13,471,357	40.1	12,311,193	40.6
Accrued expenses	2,087,537	6.2	1,832,431	6.0
Billings in excess of costs and recognized earnings on uncompleted contracts	3,255,391	9.7	2,898,528	9.6
Income taxes				
Current	205,405	0.6	309,919	1.0
Deferred	172,888	0.5	183,776	0.6
Total income taxes	378,292	1.1	493,695	1.6
Other current liabilities	527,593	1.6	711,534	2.3
Total current liabilities	20,226,529	60.2	18,536,810	61.1
Long-term debt, excluding current portion	1,449,353	4.3	2,842,110	9.4
Deferred income taxes	716,754	2.1	606,015	2.0
Other	1,053,090	3.1	993,462	3.3
Minority interests	1,765,700	5.3	122,334	0.4
Total liabilities	25,211,426	75.1	23,100,730	76.1
Net worth				
Stock, par value	746,277	2.2	461,081	1.5
Additional paid-in capital	3,153,381	9.4	2,346,222	7.7
Retained earnings	4,846,482	14.4	4,507,349	14.9
Treasury stock	(376,497)	1.1	(66,439)	0.2
Total net worth	8,369,643	24.9	7,248,213	23.9
Total liabilities and net worth	$33,581,069	100.0%	$30,348,944	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$102,771,677	96.2%	$81,431,704	97.5%
Other revenue	4,085,738	3.8	2,096,585	2.5
Total revenue	106,857,415	100.0	83,528,290	100.0
Contract cost	(97,533,998)	91.3	(76,832,809)	92.0
Other cost	(3,589,194)	3.4	(1,740,471)	2.1
Total cost	(101,123,192)	94.6	(78,573,280)	94.1
Gross Profit	5,734,223	5.4	4,955,009	5.9
Selling, general and administrative expenses	(4,489,669)	4.2	(4,568,165)	5.5
Interest income	616,802	0.6	N/A	N/A
Interest expense	(225,868)	0.2	N/A	N/A
Other income (expense), net	115,134	0.1	778,567	0.9
Net earnings (loss) before taxes	1,750,601	1.6	1,165,412	1.4
Income taxes	(612,728)	0.6	(196,737)	0.2
Net earnings (loss)	1,137,873	1.1%	$968,674	1.2%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	291
1989	208

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.3	1.3
Quick Ratio	1.0	1.1
Days of Cash	13.2	17.2
Work. Cap. Turnover	20.5	15.0
Profitability Ratios		
Return on Assets	3.4%	3.2%
Return on Equity	13.6%	13.4%
Times Interest Earned	8.7	36.5
Leverage Ratios		
Debt to Equity	3.0	3.2
Revenue to Equity	12.8	11.5
Asset Turnover	3.2	2.8
Fixed Asset Ratio	63.5%	45.8%
Equity to G & A Expenses	1.9	1.8
Underbillings to Equity	35.9%	19.5%
Average Backlog to Equity	16.8	14.3
Average Backlog to Working Capital	27.0	18.3
Average Months in Backlog	15.8	8.2
Efficiency Ratios		
Days in Accounts Receivable	53.9	61.7
Days in Inventory	2.1	2.3
Days in Accounts Payable	48.0	56.4
Operating Cycle	21.2	24.7

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SELECTED REGIONAL FINANCIAL DATA

Industrial and Nonresidential Contractors

	All Companies	Regions					
		NE	SE	MW	SW	W	FW
Number of Companies	291	67	63	47	18	30	69
Assets	$33,581	16,391	35,635	17,067	31,074	22,922	23,220
Liabilities	25,211	12,276	26,974	12,116	22,727	16,998	18,141
Net Worth	8,370	4,115	8,661	4,950	8,348	5,924	5,079
% Net Worth to Assets	24.9	25.1	24.3	29.0	26.9	25.8	21.9
Revenues	106,857	51,307	109,776	57,298	88,629	56,397	73,962
Gross Profit	5,734	3,362	4,262	8,565	4,139	4,059	3,310
% Gross Profit	5.4	6.6	3.9	14.9	4.7	7.2	4.5
G&A Expenses	4,490	2,741	3,350	7,922	5,963	3,266	2,538
% to Revenue	4.2	5.3	3.1	13.8	6.7	5.8	3.4
Net Income	1,138	619	781	908	72	687	909
% Net Income	1.1	1.2	0.7	1.6	0.1	1.2	1.2
Current Ratio	1.3	1.3	1.2	1.2	1.3	1.3	1.2
Return on Assets (%)	3.4	3.8	2.2	5.3	0.2	3.0	3.9
Return on Equity (%)	13.6	15.0	9.0	18.3	0.9	11.6	17.9

Discussion and Analysis

The number of companies in each region comprising the Industrial and Nonresidential category appear to be evenly spread throughout the regions with the exception of lower responses in the Southwest and West regions.

The larger companies are found in the Southeast region with assets of approximately $36 million and revenues of approximately $110 million. In comparison, in 1989 the larger companies responding were from the Southwest region. Although the larger companies responded in the Southeast, net income remained below the composite level at $781 thousand and the net income percentage remained consistent with 1989 at .7 percent. Return on assets (2.2%) and return on equity (9%) also fell below the composite level and decreased from 1989.

The more profitable regions are the Midwest region (47 responses) and the Farwest region (69 responses). The Midwest region had the highest gross profit percentage (14.9%) as well as the highest G & A expense percentage (13.8%). The Midwest also lead the other regions with the highest net income percentage (1.6%), return on assets (5.3%) and return on equity (18.3%). The Farwest region had a net income percentage of 1.2%, which was above the composite and also a high return on equity of 17.9%.

Overall, the majority of the regions increased profits from 1989 to 1990, with the exception of the Southwest and West regions having a decrease in profits from 1989.

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INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS
NORTHEAST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$3,032,247	18.5%	$2,661,883	14.5%
Marketable securities and short-term investments	449,235	2.7	868,334	4.7
Receivables:				
Contract receivables currently due	7,090,042	43.3	7,680,803	41.8
Retainages on contracts	2,529,321	15.4	2,705,853	14.7
Unbilled work	48,780	0.3	N/A	N/A
Other receivables	316,184	1.9	218,165	1.2
Less allowance for doubtful accounts	(43,956)	0.3	(28,993)	0.2
Total receivables, net	9,940,371	60.6	10,575,827	57.5
Inventories	30,241	0.2	73,166	0.4
Costs and recognized earnings in excess of billings on uncompleted contracts	883,814	5.4	808,330	4.4
Investments in construction joint ventures	121,690	0.7	349,659	1.9
Other current assets	319,827	2.0	538,731	2.9
Total current assets	14,777,425	90.2	15,875,930	86.3
Property, plant and equipment	2,542,531	15.5	3,746,236	20.4
Less accumulated depreciation	(1,502,416)	9.2	(2,114,412)	11.5
Property, plant and equipment, net	1,040,115	6.3	1,631,824	8.9
Other assets	489,629	3.0	862,124	4.7
Intangible assets	83,925	0.5	25,965	0.1
Total assets	$16,391,094	100.0%	$18,395,862	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$127,748	0.8%	$115,786	0.6%
Accounts payable				
Trade, including currently due subcontractors	6,195,517	37.8	5,884,182	32.0
Subcontractor retainages	2,384,460	14.5	2,403,616	13.1
Other	34,498	0.2	1,768,865	9.6
Total accounts payable	8,614,478	52.5	10,056,844	54.7
Accrued expenses	634,225	3.9	411,058	2.2
Billings in excess of costs and recognized earnings on uncompleted contracts	1,758,671	10.7	2,128,227	11.6
Income taxes				
Current	93,160	0.6	233,968	1.3
Deferred	93,865	0.6	173,201	0.9
Total income taxes	187,024	1.1	407,169	2.2
Other current liabilities	213,413	1.3	364,775	2.0
Total current liabilities	11,535,557	70.4	13,483,859	73.3
Long-term debt, excluding current portion	509,284	3.1	404,177	2.2
Deferred income taxes	123,452	0.8	213,211	1.2
Other	53,015	0.3	1,290,918	7.0
Minority interests	54,439	0.3	3,930	0.0
Total liabilities	12,275,746	74.9	15,396,094	83.7
Net worth				
Stock, par value	383,881	2.3	215,252	1.2
Additional paid-in capital	244,311	1.5	351,071	1.9
Retained earnings	3,564,582	21.9	2,480,593	13.5
Treasury stock	(96,626)	0.6	(47,147)	0.3
Total net worth	4,115,348	25.1	2,999,769	16.3
Total liabilities and net worth	$16,391,094	100.0%	$18,395,862	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$51,209,246	99.8%	$59,446,883	99.2%
Other revenue	97,395	0.2	466,836	0.8
Total revenue	51,306,642	100.0	59,913,719	100.0
Contract cost	(47,851,146)	93.3	(56,300,696)	94.0
Other cost	(93,980)	0.2	(200,588)	0.3
Total cost	(47,945,126)	93.4	(56,501,287)	94.3
Gross Profit	3,361,515	6.6	3,412,432	5.7
Selling, general and administrative expenses	(2,740,811)	5.3	(2,597,923)	4.3
Interest income	246,962	0.5	N/A	N/A
Interest expense	(89,789)	0.2	N/A	N/A
Other income (expense), net	11,784	0.0	(69,899)	0.1
Net earnings (loss) before taxes	789,662	1.5	744,610	1.2
Income taxes	(170,871)	0.3	(227,802)	0.4
Net earnings (loss)	$618,791	1.2%	$516,808	0.9%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	67
1989	50

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.3	1.2
Quick Ratio	1.2	1.0
Days of Cash	21.3	16.0
Work Cap. Turnover	15.8	25.0
Profitability Ratios		
Return on Assets	3.8%	2.8%
Return on Equity	15.0%	17.2%
Times Interest Earned	9.8	13.4
Leverage Ratios		
Debt to Equity	3.0	5.1
Revenue to Equity	12.5	20.0
Asset Turnover	3.1	3.3
Fixed Asset Ratio	25.3%	54.4%
Equity to G & A Expenses	1.5	1.2
Underbillings to Equity	22.7%	28.9%
Average Backlog to Equity	24.0	9.5
Average Backlog to Working Capital	30.4	16.5
Average Months in Backlog	23.1	7.8
Efficiency Ratios		
Days in Accounts Receivable	69.7	63.5
Days in Inventory	0.2	0.5
Days in Accounts Payable	64.7	64.1
Operating Cycle	26.6	15.9

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INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS
SOUTHEAST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$2,399,726	6.7%	$3,753,614	16.9%
Marketable securities and short-term investments	2,169,000	6.1	2,141,846	9.6
Receivables:				
Contract receivables currently due	11,694,677	32.8	9,170,630	41.3
Retainages on contracts	4,416,580	12.4	2,565,601	11.6
Unbilled work	1,087,104	3.1	N/A	N/A
Other receivables	986,795	2.8	995,676	4.5
Less allowance for doubtful accounts	(42,443)	0.1	(31,000)	0.1
Total receivables, net	18,142,713	50.9	12,700,908	57.2
Inventories	1,028,133	2.9	45,771	0.2
Costs and recognized earnings in excess of billings on uncompleted contracts	1,753,213	4.9	409,609	1.8
Investments in construction joint ventures	852,513	2.4	243,886	1.1
Other current assets	2,373,832	6.7	824,215	3.7
Total current assets	28,719,130	80.6	20,119,848	90.6
Property, plant and equipment	8,589,843	24.1	3,312,318	14.9
Less accumulated depreciation	(4,462,550)	12.5	(1,792,755)	8.1
Property, plant and equipment, net	4,127,292	11.6	1,519,563	6.8
Other assets	2,784,122	7.8	551,515	2.5
Intangible assets	4,904	0.0	7,739	0.0
Total assets	$35,635,449	100.0%	$22,198,666	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$644,287	1.8%	$231,680	1.0%
Accounts payable				
Trade, including currently due subcontractors	11,052,566	31.0	7,571,216	34.1
Subcontractor retainages	2,715,264	7.6	2,050,147	9.2
Other	2,572,363	7.2	1,005,540	4.5
Total accounts payable	16,340,193	45.9	10,626,902	47.9
Accrued expenses	1,752,191	4.9	1,457,330	6.6
Billings in excess of costs and recognized earnings on uncompleted contracts	3,516,733	9.9	1,690,689	7.6
Income taxes				
Current	100,527	0.3	62,267	0.3
Deferred	78,979	0.2	91,959	0.4
Total income taxes	179,506	0.5	154,226	0.7
Other current liabilities	1,009,263	2.8	121,556	0.5
Total current liabilities	23,442,173	65.8	14,282,382	64.3
Long-term debt, excluding current portion	709,740	2.0	2,500,710	11.3
Deferred income taxes	783,649	2.2	62,610	0.3
Other	2,036,058	5.7	105,706	0.5
Minority interests	2,780	0.0	251,165	1.1
Total liabilities	26,974,401	75.7	17,202,582	77.5
Net worth				
Stock, par value	1,179,656	3.3	120,635	0.5
Additional paid-in capital	3,216,748	9.0	566,566	2.6
Retained earnings	5,369,774	15.1	4,312,031	19.4
Treasury stock	(1,105,130)	3.1	(3,147)	0.0
Total net worth	8,661,048	24.3	4,996,084	22.5
Total liabilities and net worth	$35,635,449	100.0%	$22,198,666	100.0%

STATEMENT OF EARNINGS

	1990		1989	
	Amount	Percent	Amount	Percent
Contract revenue	$109,491,551	99.7%	$71,625,985	99.2%
Other revenue	284,164	0.3	588,315	0.8
Total revenue	109,775,716	100.0	72,214,299	100.0
Contract cost	(105,384,999)	96.0	(66,340,525)	91.9
Other cost	(129,067)	0.1	(91,542)	0.1
Total cost	(105,514,067)	96.1	(66,432,067)	92.0
Gross Profit	4,261,649	3.9	5,782,232	8.0
Selling, general and administrative expenses	(3,350,092)	3.1	(5,455,969)	7.6
Interest income	272,439	0.2	N/A	N/A
Interest expense	(237,341)	0.2	N/A	N/A
Other income (expense), net	215,683	0.2	436,050	0.6
Net earnings (loss) before taxes	1,162,339	1.1	762,313	1.1
Income taxes	(380,976)	0.3	(220,777)	0.3
Net earnings (loss)	$781,363	0.7%	$541,536	0.7%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	63
1989	40

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.2	1.4
Quick Ratio	1.0	1.3
Days of Cash	7.9	18.7
Work. Cap. Turnover	20.8	12.4
Profitability Ratios		
Return on Assets	2.2%	2.4%
Return on Equity	9.0%	10.8%
Times Interest Earned	5.9	90.1
Leverage Ratios		
Debt to Equity	3.1	3.4
Revenue to Equity	12.7	14.5
Asset Turnover	3.1	3.3
Fixed Asset Ratio	47.7%	30.4%
Equity to G & A Expenses	2.6	0.9
Underbillings to Equity	32.8%	8.2%
Average Backlog to Equity	12.0	18.8
Average Backlog to Working Capital	19.7	4.9
Average Months in Backlog	11.4	7.5
Efficiency Ratios		
Days in Accounts Receivable	59.5	63.3
Days in Inventory	3.5	0.2
Days in Accounts Payable	55.8	57.6
Operating Cycle	15.1	24.7

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INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS
MIDWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$2,151,351	12.6%	$3,501,796	12.0%
Marketable securities and short-term investments	1,602,592	9.4	1,636,401	5.6
Receivables:				
Contract receivables currently due	6,617,477	38.8	11,149,686	38.3
Retainages on contracts	1,710,042	10.0	2,100,513	7.2
Unbilled work	73,297	0.4	N/A	N/A
Other receivables	573,608	3.4	255,829	0.9
Less allowance for doubtful accounts	(16,945)	0.1	(130,820)	0.4
Total receivables, net	8,957,479	52.5	13,375,209	45.9
Inventories	72,991	0.4	169,226	0.6
Costs and recognized earnings in excess of billings on uncompleted contracts	715,191	4.2	1,570,048	5.4
Investments in construction joint ventures	397,278	2.3	1,460,689	5.0
Other current assets	229,857	1.3	1,158,264	4.0
Total current assets	14,126,738	82.8	22,871,632	78.5
Property, plant and equipment	2,174,054	12.7	3,930,960	13.5
Less accumulated depreciation	(1,159,548)	6.8	(1,9[illegible]112)	6.8
Property, plant and equipment, net	1,014,506	5.9	1,949,648	6.7
Other assets	1,918,776	11.2	3,990,605	13.7
Intangible assets	6,563	0.0	311,334	1.1
Total assets	$17,066,582	100.0%	$29,123,219	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$927,405	5.4%	$491,511	1.4%
Accounts payable				
Trade, including currently due subcontractors	5,212,540	30.5	9,612,323	33.0
Subcontractor retainages	1,596,623	9.4	1,631,605	5.6
Other	301,567	1.8	99,434	0.3
Total accounts payable	7,110,730	41.7	11,343,363	38.9
Accrued expenses	521,495	3.1	1,416,067	4.9
Billings in excess of costs and recognized earnings on uncompleted contracts	1,975,980	11.6	3,215,733	11.0
Income taxes				
Current	213,220	1.2	425,057	1.5
Deferred	270,300	1.6	537,091	1.8
Total income taxes	483,520	2.8	962,148	3.3
Other current liabilities	329,084	1.9	479,691	1.6
Total current liabilities	11,348,237	66.5	17,918,514	61.2
Long-term debt, excluding current portion	643,790	3.8	2,302,345	7.9
Deferred income taxes	79,359	0.5	422,459	1.5
Other	37,472	0.2	170,851	0.6
Minority interests	7,249	0.0	266,768	0.9
Total liabilities	12,116,096	71.0	20,980,977	72.0
Net worth				
Stock, par value	166,755	1.0	139,935	0.5
Additional paid-in capital	646,700	3.8	2,723,489	9.4
Retained earnings	4,249,251	24.9	5,332,828	18.3
Treasury stock	(112,200)	0.7	(53,968)	0.2
Total net worth	4,950,486	29.0	8,142,242	28.0
Total liabilities and net worth	$17,066,582	100.0%	$29,123,219	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$56,331,980	98.3%	$83,207,165	99.5%
Other revenue	965,696	1.7	413,863	0.5
Total revenue	57,297,676	100.0	83,621,028	100.0
Contract cost	(48,493,331)	84.6	(77,437,528)	92.6
Other cost	(239,406)	0.4	(135,545)	0.2
Total cost	(48,732,737)	85.1	(77,573,073)	92.8
Gross Profit	8,564,939	14.9	6,047,955	7.2
Selling, general and administrative expenses	(7,922,448)	13.8	(4,844,157)	5.8
Interest income	1,217,284	2.1	N/A	N/A
Interest expense	(224,669)	0.4	N/A	N/A
Other income (expense), net	(110,935)	0.2	270,861	0.3
Net earnings (loss) before taxes	1,524,171	2.7	1,474,659	1.8
Income taxes	(615,984)	1.1	(603,848)	0.7
Net earnings (loss)	908,188	1.6%	$870,810	1.0%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	47
1989	36

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.2	1.5
Quick Ratio	1.1	1.0
Days of Cash	13.5	15.1
Work Cap Turnover	20.6	16.5
Profitability Ratios		
Return on Assets	5.3%	3.0%
Return on Equity	18.3%	10.7%
Times Interest Earned	7.8	34.0
Leverage Ratios		
Debt to Equity	2.4	2.6
Revenue to Equity	11.6	10.3
Asset Turnover	3.4	2.9
Fixed Asset Ratio	20.5%	21.9%
Equity to G & A Expenses	0.6	1.7
Underbillings to Equity	15.9%	19.3%
Average Backlog to Equity	19.2	15.4
Average Backlog to Working Capital	18.2	25.0
Average Months in Backlog	10.6	8.6
Efficiency Ratios		
Days in Accounts Receivable	56.3	57.6
Days in Inventory	0.5	0.8
Days in Accounts Payable	52.5	52.6
Operating Cycle	17.8	20.8

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INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS
SOUTHWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$4,203,968	13.9%	$3,915,437	5.0%
Marketable securities and short-term investments	702,119	2.3	5,318,564	6.8
Receivables				
Contract receivables currently due	8,760,846	28.1	20,638,662	26.2
Retainages on contracts	3,515,189	11.3	4,475,039	5.7
Unbilled work	1,016,422	3.3	N/A	N/A
Other receivables	1,744,788	5.6	2,445,541	3.1
Less allowance for doubtful accounts	(4,728)	0.0	(517,494)	0.7
Total receivables, net	15,012,517	48.3	27,041,748	34.4
Inventories	695,279	2.2	1,495,661	1.9
Costs and recognized earnings in excess of billings on uncompleted contracts	176,232	0.6	6,264,136	8.0
Investments in construction joint ventures	196,611	0.6	400,318	0.5
Other current assets	228,119	0.7	12,512,377	15.9
Total current assets	21,214,845	68.3	56,948,240	72.3
Property, plant and equipment	12,449,758	40.1	37,590,454	47.8
Less accumulated depreciation	(4,424,312)	14.2	(27,010,451)	34.3
Property, plant and equipment, net	8,025,445	25.8	10,580,003	13.4
Other assets	1,831,177	5.9	10,903,310	13.9
Intangible assets	2,926	0.0	289,628	0.4
Total assets	$31,074,393	100.0%	$78,721,182	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long term debt	$182,942	0.6%	$236,315	0.3%
Accounts payable				
Trade, including currently due subcontractors	6,274,954	20.2	15,432,640	19.6
Subcontractor retainages	1,718,673	5.5	3,009,109	3.8
Other	1,918,060	6.2	1,177,650	1.5
Total accounts payable	9,911,687	31.9	19,615,399	24.9
Accrued expenses	699,624	2.3	2,798,053	3.6
Billings in excess of costs and recognized earnings on uncompleted contracts	5,373,327	17.3	8,465,843	10.8
Income taxes				
Current	66,418	0.2	850,440	1.1
Deferred	54,796	0.2	(1,279,933)	1.6
Total income taxes	121,214	0.4	(429,493)	0.5
Other current liabilities	183,614	0.6	5,062,183	6.4
Total current liabilities	16,472,407	53.0	35,748,280	45.4
Long term debt, excluding current portion	4,517,886	14.5	10,156,302	13.2
Deferred income taxes	1,002,443	3.2	2,451,362	3.1
Other	709,221	2.3	4,887,234	6.2
Minority interests	24,756	0.1	476,753	0.6
Total liabilities	22,726,713	73.1	53,919,930	68.5
Net worth				
Stock, par value	471,977	1.5	785,781	1.0
Additional paid in capital	707,493	2.3	16,835,621	21.4
Retained earnings	7,227,186	23.3	7,319,735	9.3
Treasury stock	(58,976)	0.2	(139,886)	0.2
Total net worth	8,347,680	26.9	24,801,251	31.5
Total liabilities and net worth	$31,074,393	100.0%	$78,721,182	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$84,162,794	95.0%	$178,273,540	99.7%
Other revenue	4,466,079	5.0	606,195	0.3
Total revenue	88,628,873	100.0	178,879,734	100.0
Contract cost	(80,563,239)	90.9	(165,746,805)	92.7
Other cost	(3,927,095)	4.4	(5,108,460)	2.9
Total cost	(84,490,334)	95.3	(170,855,264)	95.5
Gross Profit	4,138,538	4.7	8,024,470	4.5
Selling, general and administrative expenses	(5,963,170)	6.7	(5,299,790)	3.0
Interest income	961,326	1.1	N/A	N/A
Interest expense	586,774	0.7	N/A	N/A
Other income (expense), net	382,842	0.4	19,949	0.0
Net earnings (loss) before taxes	108,312	0.1	2,744,629	1.5
Income taxes	(36,368)	0.0	(1,326,594)	0.7
Net earnings (loss)	$71,944	0.1%	$1,418,035	0.8%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	18
1989	18

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.3	1.8
Quick Ratio	1.2	1.6
Days of Cash	17.1	7.9
Work Cap Turnover	18.7	8.4
Profitability Ratios		
Return on Assets	0.2%	1.8%
Return on Equity	0.9%	5.7%
Times Interest Earned	0.8	4.1
Leverage Ratios		
Debt to Equity	2.7	2.2
Revenue to Equity	10.6	7.2
Asset Turnover	2.9	2.3
Fixed Asset Ratio	96.1%	42.7%
Equity to G & A Expenses	1.4	4.7
Underbillings to Equity	14.3%	25.3%
Average Backlog to Equity	8.9	12.5
Average Backlog to Working Capital	15.7	15.7
Average Months in Backlog	10.1	8.4
Efficiency Ratios		
Days in Accounts Receivable	61.0	54.4
Days in Inventory	3.0	3.2
Days in Accounts Payable	42.2	41.3
Operating Cycle	38.8	34.1

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INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS
WEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$3,449,803	15.1%	$2,803,128	15.4%
Marketable securities and short-term investments	752,114	3.3	439,478	2.4
Receivables:				
Contract receivables currently due	8,640,920	37.7	7,410,986	40.7
Retainages on contracts	3,307,357	14.4	2,285,415	12.6
Unbilled work	455,235	2.0	N/A	N/A
Other receivables	884,604	3.9	903,535	5.0
Less allowance for doubtful accounts	(16,059)	0.1	(1,262)	0.0
Total receivables, net	13,272,057	57.9	10,598,675	58.2
Inventories	554,091	2.4	169,342	0.9
Costs and recognized earnings in excess of billings on uncompleted contracts	387,400	1.7	509,985	2.8
Investments in construction joint ventures	405,397	1.8	576,387	3.2
Other current assets	368,440	1.6	627,798	3.4
Total current assets	19,189,302	83.7	15,724,752	86.4
Property, plant and equipment	7,186,294	31.4	4,327,833	23.8
Less accumulated depreciation	(4,623,185)	20.2	(2,987,980)	16.4
Property, plant and equipment, net	2,563,109	11.2	1,339,853	7.4
Other assets	1,153,622	5.0	1,087,919	6.0
Intangible assets	16,060	0.1	50,201	0.3
Total assets	$22,922,093	100.0%	$18,202,725	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$151,512	0.7%	$191,726	1.1%
Accounts payable				
Trade, including currently due subcontractors	7,577,630	33.1	6,579,807	36.1
Subcontractor retainages	2,561,968	11.2	1,829,022	10.0
Other	327,796	1.4	52,993	0.3
Total accounts payable	10,467,394	45.7	8,461,822	46.5
Accrued expenses	1,158,161	5.1	584,625	3.2
Billings in excess of costs and recognized earnings on uncompleted contracts	1,883,553	8.2	1,520,943	8.4
Income taxes				
Current	253,677	1.1	127,583	0.7
Deferred	495,383	2.2	451,444	2.5
Total income taxes	749,060	3.3	579,027	3.2
Other current liabilities	25,459	0.1	114,310	0.6
Total current liabilities	14,435,138	63.0	11,452,452	62.9
Long-term debt, excluding current portion	1,187,963	5.2	1,420,127	7.8
Deferred income taxes	587,447	2.6	475,417	2.6
Other	458,890	2.0	195,068	1.1
Minority interests	328,372	1.4	291,701	1.6
Total liabilities	16,997,811	74.2	13,834,763	76.0
Net worth				
Stock, par value	745,933	3.3	702,564	3.9
Additional paid-in capital	499,368	2.2	453,063	2.5
Retained earnings	4,956,843	21.6	3,426,509	18.8
Treasury stock	(277,863)	1.2	(214,174)	1.2
Total net worth	5,924,282	25.8	4,367,962	24.0
Total liabilities and net worth	$22,922,093	100.0%	$18,202,725	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$55,067,827	97.6%	$61,412,658	97.5%
Other revenue	1,329,047	2.4	1,567,518	2.5
Total revenue	56,396,874	100.0	62,980,177	100.0
Contract cost	(51,417,679)	91.2	(57,652,816)	91.5
Other cost	(920,564)	1.6	(1,000,560)	1.6
Total cost	(52,338,243)	92.8	(58,653,375)	93.1
Gross Profit	4,058,631	7.2	4,326,801	6.9
Selling, general and administrative expenses	(3,266,366)	5.8	(3,500,546)	5.6
Interest income	295,042	0.5	N/A	N/A
Interest expense	(94,297)	0.2	N/A	N/A
Other income (expense), net	66,017	0.1	650,184	1.0
Net earnings (loss) before taxes	1,059,027	1.9	1,476,439	2.3
Income taxes	(372,507)	0.7	(556,144)	0.9
Net earnings (loss)	$686,520	1.2%	$920,295	1.5%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	30
1989	20

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.3	1.4
Quick Ratio	1.2	1.2
Days of Cash	22.0	16.0
Work. Cap. Turnover	11.9	14.7
Profitability Ratios		
Return on Assets	3.0%	5.1%
Return on Equity	11.6%	21.1%
Times Interest Earned	12.2	22.1
Leverage Ratios		
Debt to Equity	2.9	3.2
Revenue to Equity	9.5	14.4
Asset Turnover	2.5	3.5
Fixed Asset Ratio	43.3%	30.7%
Equity to G & A Expenses	1.8	1.2
Underbillings to Equity	14.2%	11.7%
Average Backlog to Equity	9.4	17.1
Average Backlog to Working Capital	11.7	18.9
Average Months in Backlog	11.9	9.1
Efficiency Ratios		
Days in Accounts Receivable	84.7	60.8
Days in Inventory	3.8	1.0
Days in Accounts Payable	72.0	51.9
Operating Cycle	38.6	25.7

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INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS
FARWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$3,292,483	14.2%	$2,923,814	14.8%
Marketable securities and short-term investments	693,032	3.0	660,528	3.3
Receivables:				
Contract receivables currently due	9,685,226	41.7	8,692,404	43.9
Retainages on contracts	2,723,647	11.7	2,234,661	11.3
Unbilled work	267,910	1.2	N/A	N/A
Other receivables	812,758	3.5	751,106	3.8
Less allowance for doubtful accounts	(25,532)	0.1	(14,618)	0.1
Total receivables, net	13,464,008	58.0	11,663,554	58.9
Inventories	160,061	0.7	32,219	0.2
Costs and recognized earnings in excess of billings on uncompleted contracts	913,068	3.9	926,524	4.7
Investments in construction joint ventures	116,479	0.5	77,581	0.4
Other current assets	604,210	2.6	544,117	2.7
Total current assets	19,243,340	82.9	16,828,337	85.0
Property, plant and equipment	3,417,146	14.7	3,255,406	16.4
Less accumulated depreciation	(1,559,109)	6.7	(1,065,851)	5.4
Property, plant and equipment, net	1,858,037	8.0	2,189,555	11.1
Other assets	1,881,577	8.1	763,189	3.9
Intangible assets	236,652	1.0	9,892	0.0
Total assets	$23,219,605	100.0%	$19,790,973	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$294,114	1.3%	$459,069	2.3%
Accounts payable				
Trade, including currently due subcontractors	7,858,400	33.8	7,898,054	39.9
Subcontractor retainages	2,725,544	11.7	2,100,038	10.6
Other	358,166	1.5	267,486	1.4
Total accounts payable	10,942,110	47.1	10,265,577	51.9
Accrued expenses	1,289,309	5.6	1,023,997	5.2
Billings in excess of costs and recognized earnings on uncompleted contracts	2,630,319	11.3	1,583,403	8.0
Income taxes				
Current	92,771	0.4	63,928	0.3
Deferred	285,365	1.2	264,835	1.3
Total income taxes	378,136	1.6	328,763	1.7
Other current liabilities	304,133	1.3	288,412	1.5
Total current liabilities	15,838,121	68.2	13,949,223	70.5
Long-term debt, excluding current portion	479,225	2.1	1,287,969	6.5
Deferred income taxes	120,784	0.5	120,369	0.6
Other	1,578,128	6.8	439,635	2.2
Minority interests	124,507	0.5	115,997	0.6
Total liabilities	18,140,765	78.1	15,913,192	80.4
Net worth				
Stock, par value	646,966	2.8	606,778	3.1
Additional paid-in capital	838,192	3.6	598,185	3.0
Retained earnings	3,668,587	15.8	2,723,568	13.8
Treasury stock	(74,906)	0.3	(50,751)	0.3
Total net worth	5,078,840	21.9	3,877,781	19.6
Total liabilities and net worth	$23,219,605	100.0%	$19,790,973	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$73,301,888	99.1%	$65,101,450	98.8%
Other revenue	660,132	0.9	767,161	1.2
Total revenue	73,962,020	100.0	65,868,611	100.0
Contract cost	(70,225,841)	94.9	(61,706,957)	93.7
Other cost	(426,556)	0.6	(461,426)	0.7
Total cost	(70,652,397)	95.5	(62,168,384)	94.4
Gross Profit	3,309,623	4.5	3,700,227	5.6
Selling, general and administrative expenses	(2,538,182)	3.4	(2,858,787)	4.3
Interest income	356,065	0.5	N/A	N/A
Interest expense	(97,223)	0.1	N/A	N/A
Other income (expense), net	(23,116)	0.0	(6,709)	0.0
Net earnings (loss) before taxes	1,007,166	1.4	834,730	1.3
Income taxes	(98,220)	0.1	(226,436)	0.3
Net earnings (loss)	908,947	1.2%	$608,294	0.9%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	69
1989	40

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.2	1.2
Quick Ratio	1.1	1.1
Days of Cash	16.0	16.0
Work. Cap. Turnover	21.7	22.9
Profitability Ratios		
Return on Assets	3.9%	3.1%
Return on Equity	17.9%	15.7%
Times Interest Earned	11.4	32.9
Leverage Ratios		
Debt to Equity	3.6	4.1
Revenue to Equity	14.6	17.0
Asset Turnover	3.2	3.3
Fixed Asset Ratio	36.6%	56.5%
Equity to G & A Expenses	2.0	1.4
Underbillings to Equity	23.3%	23.9%
Average Backlog to Equity	12.5	14.4
Average Backlog to Working Capital	18.7	25.3
Average Months in Backlog	10.3	9.0
Efficiency Ratios		
Days in Accounts Receivable	65.5	63.7
Days in Inventory	0.8	0.2
Days in Accounts Payable	55.8	59.4
Operating Cycle	26.6	20.5

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SELECTED SIZE FINANCIAL DATA

Industrial and Nonresidential Contractors

		Annual Volume				
	All Companies	Less than $10 Million	$10-25 Million	$25-50 Million	$50-100 Million	Over $100 Million
Number of Companies	291	77	75	63	29	47
Assets	$33,581	2,250	5,720	11,050	28,516	159,288
Liabilities	25,211	1,375	4,177	7,449	21,562	121,202
Net Worth	8,370	875	1,544	3,601	6,953	38,086
% Net Worth to Assets	24.9	38.9	27.0	32.6	24.4	23.9
Revenues	106,857	5,385	15,743	34,488	60,990	517,894
Gross Profit	5,734	646	1,300	2,371	5,875	24,269
% Gross Profit	5.4	12.0	8.3	6.9	9.6	4.7
G&A Expenses	4,490	620	1,071	1,650	5,418	18,490
% to Revenue	4.2	11.5	6.8	4.8	8.9	3.6
Net Income	1,138	41	259	722	784	4,832
% Net Income	1.1	0.8	1.6	2.1	1.3	0.9
Current Ratio	1.3	1.4	1.3	1.4	1.2	1.2
Return on Assets (%)	3.4	1.8	4.4	6.5	2.7	3.0
Return on Equity (%)	13.6	4.6	16.5	20.1	11.3	12.7

Discussion and Analysis

The selected size financial data shows certain important trends in percentages and ratios. The net worth to assets percentage for the companies with an annual volume less than $10 million is 38.9%. This is significantly higher than the overall composite percentage (25%). Note, however, that the 38.9% net worth relates to less than $1 million compared to the $8.3 million overall composite net worth. While the trend of percentage net worth goes from 38.9% to 23.9% for companies with annual volumes of over $100 million, the composite net worth increases from $875,000 to $38 million. The point to be made is that one should not consider only percentages, but also give consideration to absolute values. The company with an equity base of $38 million has much more "staying power" than a company with less than $1 million in equity.

Similar to the net worth trends noted above, are the gross profit and gross profit percentages. The smaller companies show a greater percentage of gross profit (12%) than the larger companies, but the absolute amounts show an opposite trend ranging from $646,000 to $24.2 million of gross profit.

G&A expenses follow the same general trend. This trend is due to contract revenue exceeding the fixed cost levels of G&A expenses. Net income percentages range from a low of .8% in the less than $10 million category to 2.1% in the $25 - 50 million category. Current ratios range from 1.2 in the $50 - 100 million and over $100 million categories, to 1.4 in the $25 - 50 million and less than $10 million categories.

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INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS
LESS THAN $10 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$373,580	16.6%	$270,537	13.7%
Marketable securities and short-term investments	143,654	6.4	227,423	11.5
Receivables:				
Contract receivables currently due	900,347	40.0	930,062	47.2
Retainages on contracts	192,438	8.6	89,608	4.5
Unbilled work	10,562	0.5	N/A	N/A
Other receivables	85,792	3.8	51,395	2.6
Less allowance for doubtful accounts	(6,783)	0.3	(6,616)	0.3
Total receivables, net	1,182,356	52.5	1,064,448	54.0
Inventories	9,306	0.4	4,589	0.2
Costs and recognized earnings in excess of billings on uncompleted contracts	73,644	3.3	77,166	3.9
Investments in construction joint ventures	19,669	0.9	10,943	0.6
Other current assets	25,285	1.1	65,845	3.3
Total current assets	1,827,495	81.2	1,720,951	87.3
Property, plant and equipment	302,088	13.4	332,620	16.9
Less accumulated depreciation	(159,749)	7.1	(163,071)	8.3
Property, plant and equipment, net	142,339	6.3	169,549	8.6
Other assets	62,436	2.8	80,049	4.1
Intangible assets	217,983	9.7	461	0.0
Total assets	$2,250,253	100.0%	$1,971,009	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$55,908	2.5%	$105,883	5.4%
Accounts payable				
Trade, including currently due subcontractors	674,962	30.0	526,585	26.7
Subcontractor retainages	185,082	8.2	83,581	4.2
Other	31,832	1.4	43,959	2.2
Total accounts payable	891,875	39.6	654,125	33.2
Accrued expenses	68,933	3.1	89,316	4.5
Billings in excess of costs and recognized earnings on uncompleted contracts	196,249	8.7	136,039	6.9
Income taxes				
Current	9,152	0.4	23,212	1.2
Deferred	31,153	1.4	29,782	1.5
Total income taxes	40,305	1.8	52,994	2.7
Other current liabilities	16,175	0.7	15,178	0.8
Total current liabilities	1,269,446	56.4	1,053,535	53.5
Long-term debt, excluding current portion	79,078	3.5	260,761	13.2
Deferred income taxes	18,791	0.8	7,150	0.4
Other	7,695	0.3	5,635	0.3
Minority interests	218	0.0	7,078	0.4
Total liabilities	1,375,225	61.1	1,334,159	67.7
Net worth				
Stock, par value	135,365	6.0	52,588	2.7
Additional paid in capital	146,115	6.5	76,054	3.9
Retained earnings	612,113	27.2	524,639	26.6
Treasury stock	(18,564)	0.8	(16,442)	0.8
Total net worth	875,028	38.9	636,849	32.3
Total liabilities and net worth	$2,250,253	100.0%	$1,971,009	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$5,347,671	99.3%	$5,886,784	99.2%
Other revenue	37,510	0.7	47,329	0.8
Total revenue	5,385,181	100.0	5,934,113	100.0
Contract cost	(4,642,259)	86.2	(4,903,616)	82.6
Other cost	(96,875)	1.8	(10,007)	0.2
Total cost	(4,739,134)	88.0	(4,913,624)	82.8
Gross Profit	646,046	12.0	1,020,489	17.2
Selling, general and administrative expenses	(620,284)	11.5	(647,041)	10.9
Interest income	30,765	0.6	N/A	N/A
Interest expense	(19,670)	0.4	N/A	N/A
Other income (expense), net	21,083	0.4	(304,859)	5.1
Net earnings (loss) before taxes	57,940	1.1	68,589	1.2
Income taxes	(17,272)	0.3	(15,788)	0.3
Net earnings (loss)	40,668	0.8%	$52,802	0.9%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	77
1989	28

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.4	1.6
Quick Ratio	1.3	1.5
Days of Cash	25.0	16.4
Work. Cap. Turnover	9.7	8.9
Profitability Ratios		
Return on Assets	1.8%	2.7%
Return on Equity	4.6%	8.3%
Times Interest Earned	3.9	17.4
Leverage Ratios		
Debt to Equity	1.6	2.1
Revenue to Equity	6.2	9.3
Asset Turnover	2.4	3.0
Fixed Asset Ratio	16.3%	26.0%
Equity to G & A Expenses	1.4	1.0
Underbillings to Equity	9.6%	12.1%
Average Backlog to Equity	19.7	11.8
Average Backlog to Working Capital	31.0	14.0
Average Months in Backlog	38.5	8.4
Efficiency Ratios		
Days in Accounts Receivable	79.0	64.6
Days in Inventory	0.7	0.3
Days in Accounts Payable	67.7	47.9
Operating Cycle	37.0	33.4

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INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS
$10 - 25 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$1,089,647	19.0%	$1,267,176	22.2%
Marketable securities and short-term investments	254,796	4.5	248,150	4.3
Receivables:				
Contract receivables currently due	2,687,067	47.0	2,292,169	40.1
Retainages on contracts	317,423	5.5	419,212	7.3
Unbilled work	74,913	1.3	N/A	N/A
Other receivables	104,955	1.8	102,032	1.8
Less allowance for doubtful accounts	(6,403)	0.1	(10,945)	0.2
Total receivables, net	3,177,956	55.6	2,802,468	49.0
Inventories	11,380	0.2	20,171	0.4
Costs and recognized earnings in excess of billings on uncompleted contracts	260,624	4.6	275,391	4.8
Investments in construction joint ventures	17,038	0.3	12,410	0.2
Other current assets	194,124	3.4	120,834	2.1
Total current assets	5,005,563	87.5	4,746,600	83.0
Property, plant and equipment	1,001,193	17.5	1,082,914	18.9
Less accumulated depreciation	(584,028)	10.2	(578,593)	10.1
Property, plant and equipment, net	417,165	7.3	504,321	8.8
Other assets	295,347	5.2	973,493	17.0
Intangible assets	2,412	0.0	12,468	0.2
Total assets	$5,720,486	100.0%	$5,804,247	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long term debt	$167,090	2.9%	$143,418	2.3%
Accounts payable				
Trade, including currently due subcontractors	2,285,758	40.0	2,039,242	32.7
Subcontractor retainages	275,839	4.8	393,585	6.3
Other	50,660	0.9	29,546	0.5
Total accounts payable	2,612,257	45.7	2,462,373	39.5
Accrued expenses	209,724	3.7	203,950	3.3
Billings in excess of costs and recognized earnings on uncompleted contracts	596,617	10.4	511,712	8.2
Income taxes				
Current	48,329	0.8	74,173	1.2
Deferred	71,497	1.2	107,896	1.7
Total income taxes	119,826	2.1	182,069	2.9
Other current liabilities	74,202	1.3	51,541	0.8
Total current liabilities	3,779,917	66.1	3,555,055	57.0
Long term debt, excluding current portion	211,985	3.7	734,973	11.8
Deferred income taxes	74,255	1.3	41,469	0.7
Other	65,238	1.1	18,721	0.3
Minority interests	45,238	0.8	5,548	0.1
Total liabilities	4,176,643	73.0	4,355,758	69.8
Net worth				
Stock, par value	263,943	4.6	152,877	2.5
Additional paid in capital	130,329	2.3	132,901	2.1
Retained earnings	1,249,709	21.8	1,645,996	26.4
Treasury stock	(100,137)	1.8	(50,649)	0.8
Total net worth	1,543,843	27.0	1,881,125	30.2
Total liabilities and net worth	$5,720,486	100.0%	$6,236,883	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$15,710,109	99.8%	$16,842,857	99.1%
Other revenue	32,945	0.2	152,202	0.9
Total revenue	15,743,054	100.0	16,995,059	100.0
Contract cost	(14,385,154)	91.4	(14,878,673)	87.5
Other cost	(58,170)	0.4	(136,530)	0.8
Total cost	(14,443,324)	91.7	(15,015,202)	88.4
Gross Profit	1,299,730	8.3	1,979,857	11.6
Selling, general and administrative expenses	(1,071,295)	6.8	(1,696,995)	10.0
Interest income	81,014	0.5	N/A	N/A
Interest expense	(28,385)	0.2	N/A	N/A
Other income (expense), net	27,909	0.2	54,334	0.3
Net earnings (loss) before taxes	308,972	2.0	337,196	2.0
Income taxes	(49,589)	0.3	(84,836)	0.5
Net earnings (loss)	$259,384	1.6%	$252,359	1.5%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	75
1989	62

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.3	1.3
Quick Ratio	1.2	1.2
Days of Cash	25.3	26.8
Work Cap Turnover	12.6	14.3
Profitability Ratios		
Return on Assets	4.4%	4.4%
Return on Equity	16.5%	13.4%
Times Interest Earned	11.5	64.8
Leverage Ratios		
Debt to Equity	2.7	2.3
Revenue to Equity	10.0	9.0
Asset Turnover	2.7	3.0
Fixed Asset Ratio	27.0%	26.8%
Equity to G & A Expenses	1.4	1.1
Underbillings to Equity	21.7%	14.6%
Average Backlog to Equity	8.2	8.8
Average Backlog to Working Capital	10.4	13.4
Average Months in Backlog	9.8	7.2
Efficiency Ratios		
Days in Accounts Receivable	73.9	59.4
Days in Inventory	0.3	0.*
Days in Accounts Payable	66.2	50.*
Operating Cycle	33.2	31.*

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INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS
$25 - 50 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$2,233,425	20.2%	$1,915,828	17.7%
Marketable securities and short-term investments	697,809	6.3	661,758	6.1
Receivables:				
Contract receivables currently due	4,454,910	40.3	4,340,863	40.1
Retainages on contracts	1,250,304	11.3	1,018,373	9.4
Unbilled Work	99,015	0.9	N/A	N/A
Other receivables	211,376	1.9	111,262	1.0
Less allowance for doubtful accounts	(17,408)	0.2	(2,835)	0.0
Total receivables, net	5,998,200	54.3	5,467,663	50.5
Inventories	66,460	0.6	115,063	1.1
Costs and recognized earnings in excess of billings on uncompleted contracts	451,714	4.1	399,824	3.7
Investments in construction joint ventures	35,239	0.3	96,448	0.9
Other current assets	174,211	1.6	187,568	1.7
Total current assets	9,657,057	87.4	8,844,153	81.6
Property, plant and equipment	2,157,790	19.5	1,388,314	12.8
Less accumulated depreciation	(1,232,543)	11.2	(702,293)	6.5
Property, plant and equipment, net	925,247	8.4	686,021	6.3
Other assets	425,767	3.9	1,212,530	11.2
Intangible assets	41,575	0.4	91,268	0.8
Total assets	$11,049,646	100.0%	$10,833,972	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long term debt	$181,969	1.6%	$212,222	2.0%
Accounts payable				
Trade, including currently due subcontractors	3,523,211	31.9	4,061,050	37.5
Subcontractor retainages	1,020,917	9.2	1,008,290	9.3
Other	158,093	1.4	113,720	1.0
Total accounts payable	4,702,221	42.6	5,183,059	47.8
Accrued expenses	420,995	3.8	412,526	3.8
Billings in excess of costs and recognized earnings on uncompleted contracts	1,204,831	10.9	951,088	8.8
Income taxes				
Current	96,639	0.9	151,428	1.4
Deferred	48,702	0.4	101,993	0.9
Total income taxes	145,342	1.3	253,421	2.3
Other current liabilities	126,946	1.1	102,959	1.0
Total current liabilities	6,782,303	61.4	7,115,276	65.7
Long term debt, excluding current portion	604,516	5.5	996,683	9.2
Deferred income taxes	19,650	0.2	24,795	0.2
Other	35,201	0.3	82,329	0.8
Minority interests	7,083	0.1	3,993	0.0
Total liabilities	7,448,753	67.4	8,223,176	75.9
Net worth				
Stock, par value	397,897	3.6	269,176	2.5
Additional paid in capital	640,346	5.8	319,010	2.9
Retained earnings	2,606,789	23.6	(7,548)	0.1
Treasury stock	(44,139)	0.4	2,030,158	18.7
Total net worth	3,600,893	32.6	2,610,796	24.1
Total liabilities and net worth	$11,049,646	100.0%	$10,833,972	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$34,327,944	99.5%	$34,335,204	99.3%
Other revenue	159,599	0.5	245,517	0.7
Total revenue	34,487,542	100.0	34,580,721	100.0
Contract cost	(31,902,398)	92.5	(31,102,832)	89.9
Other cost	(214,641)	0.6	(165,589)	0.5
Total cost	(32,117,039)	93.1	(31,268,421)	90.4
Gross Profit	2,370,504	6.9	3,312,299	9.6
Selling, general and administrative expenses	(1,650,062)	4.8	(2,719,770)	7.9
Interest income	133,152	0.4	N/A	N/A
Interest expense	(52,548)	0.2	N/A	N/A
Other income (expense), net	46,817	0.1	43,566	1.2
Net earnings (loss) before taxes	847,862	2.5	636,096	1.8
Income taxes	(125,452)	0.4	(227,749)	0.7
Net earnings (loss)	$722,409	2.1%	$408,347	1.2%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	63
1989	58

Financial Ratios

Liquidity Ratios	1989 Participant	1989 Participants
Current Ratio	1.4	1.2
Quick Ratio	1.3	1.1
Days of Cash	23.3	19.9
Work Cap Turnover	12.0	20.0
Profitability Ratios		
Return on Assets	6.5%	3.8%
Return on Equity	20.1%	15.6%
Times Interest Earned	17.1	22.6
Leverage Ratios		
Debt to Equity	2.1	3.1
Revenue to Equity	9.6	13.2
Asset Turnover	3.1	3.2
Fixed Asset Ratio	25.7%	26.3%
Equity to G & A Expenses	2.2	1.0
Underbillings to Equity	15.3%	15.3%
Average Backlog to Equity	7.0	14.9
Average Backlog to Working Capital	8.8	9.5
Average Months in Backlog	8.8	7.6
Efficiency Ratios		
Days in Accounts Receivable	62.6	56.9
Days in Inventory	0.7	1.3
Days in Accounts Payable	52.7	59.7
Operating Cycle	34.0	18.5

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INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS
$50 - 100 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$3,693,135	13.0%	$4,566,968	19.2%
Marketable securities and short-term investments	2,123,781	7.4	1,292,153	5.4
Receivables:				
Contract receivables currently due	10,888,413	38.2	9,435,076	39.6
Retainages on contracts	3,665,151	12.9	2,657,033	11.2
Unbilled work	95,564	0.3	N/A	N/A
Other receivables	2,038,417	7.1	749,607	3.1
Less allowance for doubtful accounts	(88,069)	0.3	(61,691)	0.3
Total receivables, net	16,599,597	58.2	12,780,025	53.7
Inventories	92,082	0.3	38,205	0.2
Costs and recognized earnings in excess of billings on uncompleted contracts	709,615	2.5	1,263,165	5.3
Investments in construction joint ventures	168,768	0.6	1,660,710	7.0
Other current assets	384,052	1.3	260,335	1.1
Total current assets	23,771,029	83.4	21,861,560	91.8
Property, plant and equipment	3,496,131	12.3	2,790,088	11.7
Less accumulated depreciation	(1,847,500)	6.5	(1,685,657)	7.1
Property, plant and equipment, net	1,648,631	5.8	1,104,431	4.6
Other assets	3,076,019	10.8	829,042	3.5
Intangible assets	19,823	0.1	25,059	0.1
Total assets	$28,515,504	100.0%	$23,820,092	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$1,612,543	5.6%	$373,443	1.6%
Accounts payable				
Trade, including currently due subcontractors	9,480,152	33.2	7,524,489	31.6
Subcontractor retainages	3,794,126	13.3	2,207,192	9.3
Other	323,350	1.1	232,733	1.0
Total accounts payable	13,597,628	47.7	9,964,414	41.8
Accrued expenses	911,527	3.2	882,767	3.7
Billings in excess of costs and recognized earnings on uncompleted contracts	2,984,092	10.5	1,875,092	7.9
Income taxes				
Current	192,299	0.7	144,143	0.6
Deferred	144,849	0.5	208,451	0.9
Total income taxes	337,148	1.2	352,595	1.5
Other current liabilities	188,991	0.7	406,283	1.7
Total current liabilities	19,831,930	69.5	13,854,574	58.2
Long-term debt, excluding current portion	1,562,561	5.5	4,524,687	19.0
Deferred income taxes	55,507	0.2	256,224	1.1
Other	96,893	0.3	164,271	0.7
Minority interests	15,228	0.1	6,401	0.0
Total liabilities	21,562,119	75.6	18,806,158	79.0
Net worth				
Stock, par value	239,960	0.8	181,914	0.8
Additional paid-in capital	680,386	2.4	607,129	2.5
Retained earnings	6,869,188	24.1	4,495,761	18.9
Treasury stock	(836,188)	2.9	(270,871)	1.1
Total net worth	6,953,386	24.4	5,013,934	21.0
Total liabilities and net worth	$28,515,504	100.0%	$23,820,092	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$59,638,397	97.8%	$64,214,504	98.6%
Other revenue	1,351,600	2.2	932,028	1.4
Total revenue	60,989,997	100.0	65,146,531	100.0
Contract cost	(55,006,157)	90.2	(60,306,653)	92.6
Other cost	(108,969)	0.2	(37,867)	0.1
Total cost	(55,115,126)	90.4	(60,344,519)	92.6
Gross Profit	5,874,871	9.6	4,802,012	7.4
Selling, general and administrative expenses	(5,417,715)	8.9	(3,206,902)	4.9
Interest income	910,118	1.5	N/A	N/A
Interest expense	(282,762)	0.5	N/A	N/A
Other income (expense), net	11,641	0.0	(478,023)	0.7
Net earnings (loss) before taxes	1,096,153	1.8	1,117,087	1.7
Income taxes	(312,161)	0.5	(249,393)	0.4
Net earnings (loss)	$783,992	1.3%	$867,693	1.3%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	29
1989	30

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.2	1.6
Quick Ratio	1.1	1.3
Days of Cash	21.8	25.2
Work. Cap. Turnover	15.5	8.1
Profitability Ratios		
Return on Assets	2.7%	3.6%
Return on Equity	11.3%	17.3%
Times Interest Earned	4.9	30.1
Leverage Ratios		
Debt to Equity	3.1	3.8
Revenue to Equity	8.8	13.0
Asset Turnover	2.1	2.7
Fixed Asset Ratio	23.7%	22.0%
Equity to G & A Expenses	1.3	1.6
Underbillings to Equity	11.6%	25.2%
Average Backlog to Equity	9.1	16.3
Average Backlog to Working Capital	16.1	22.3
Average Months in Backlog	12.5	9.1
Efficiency Ratios		
Days in Accounts Receivable	98.0	70.6
Days in Inventory	0.6	0.2
Days in Accounts Payable	88.8	59.4
Operating Cycle	31.8	36.6

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INDUSTRIAL AND NONRESIDENTIAL CONTRACTORS
OVER $100 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$16,243,551	10.2%	$13,944,708	9.6%
Marketable securities and short-term investments	3,838,723	2.4	7,656,511	5.3
Receivables:				
Contract receivables currently due	45,267,198	28.4	45,803,115	31.6
Retainages on contracts	19,244,476	12.1	14,022,697	9.7
Unbilled work	4,863,204	3.1	N/A	N/A
Other receivables	3,156,688	2.0	7,008,041	4.8
Less allowance for doubtful accounts	(95,967)	0.1	(526,849)	0.4
Total receivables, net	72,437,599	45.5	66,307,004	45.7
Inventories	3,345,619	2.1	3,033,138	2.1
Costs and recognized earnings in excess of billings on uncompleted contracts	11,517,168	7.2	7,080,818	4.9
Investments in construction joint ventures	2,046,609	1.3	2,136,639	1.5
Other current assets	7,172,328	4.5	10,437,765	7.2
Total current assets	116,603,596	73.2	110,588,583	76.2
Property, plant and equipment	43,576,584	27.4	45,134,080	31.1
Less accumulated depreciation	(14,759,749)	9.3	(26,443,099)	18.2
Property, plant and equipment, net	28,816,835	18.1	18,690,981	12.9
Other assets	13,822,100	8.7	13,512,207	9.3
Intangible assets	45,224	0.0	2,255,480	1.6
Total assets	$159,287,755	100.0%	$145,057,248	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$1,552,756	1.0%	$846,835	0.6%
Accounts payable				
Trade, including currently due subcontractors	40,726,093	25.6	40,747,672	28.1
Subcontractor retainages	16,110,820	10.1	11,379,041	7.8
Other	5,040,653	3.2	4,935,118	3.4
Total accounts payable	61,877,565	38.8	57,061,831	39.3
Accrued expenses	10,996,455	6.9	10,115,332	7.0
Billings in excess of costs and recognized earnings on uncompleted contracts	15,117,345	9.5	14,549,453	10.0
Income taxes				
Current	913,123	0.6	1,589,354	1.1
Deferred	730,164	0.5	527,781	0.4
Total income taxes	1,643,287	1.0	2,117,135	1.5
Other current liabilities	2,742,686	1.7	2,644,322	1.8
Total current liabilities	93,930,094	59.0	87,334,908	60.2
Long-term debt, excluding current portion	6,627,070	4.2	12,388,628	8.5
Deferred income taxes	4,084,158	2.6	3,645,360	2.5
Other	6,068,178	3.8	6,376,659	4.4
Minority interests	10,472,510	6.6	794,894	0.5
Total liabilities	121,202,011	76.1	110,590,389	76.2
Net worth				
Stock, par value	3,203,727	2.0	2,010,173	1.4
Additional paid-in capital	17,094,279	10.7	14,422,226	9.9
Retained earnings	19,409,277	12.2	18,107,636	12.5
Treasury stock	(1,621,538)	1.0	(73,176)	0.1
Total net worth	38,085,744	23.9	34,466,859	23.8
Total liabilities and net worth	$159,287,755	100.0%	$145,057,248	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$494,792,915	95.5%	$389,932,236	96.9%
Other revenue	23,101,295	4.5	12,631,133	3.1
Total revenue	517,894,211	100.0	402,563,369	100.0
Contract cost	(472,900,475)	91.3	(372,500,529)	92.5
Other cost	(20,724,321)	4.0	(11,301,729)	2.8
Total cost	(493,624,796)	95.3	(383,802,258)	95.3
Gross Profit	24,269,415	4.7	18,761,111	4.7
Selling, general and administrative expenses	(18,489,632)	3.6	(19,487,059)	4.8
Interest income	2,956,036	0.6	N/A	N/A
Interest expense	(1,086,663)	0.2	N/A	N/A
Other income (expense), net	512,969	0.1	5,465,717	1.4
Net earnings (loss) before taxes	8,162,125	1.6	4,739,769	1.2
Income taxes	(3,329,744)	0.6	(450,853)	0.1
Net earnings (loss)	$4,832,380	0.9%	$4,288,916	1.1%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	47
1989	30

Financial Ratios

	1990 Participants	1989 Participants
Liquidity Ratios		
Current Ratio	1.2	1.3
Quick Ratio	1.0	1.0
Days of Cash	11.3	12.5
Work. Cap. Turnover	22.3	17.3
Profitability Ratios		
Return on Assets	3.0%	3.0%
Return on Equity	12.7%	12.4%
Times Interest Earned	8.5	23.7
Leverage Ratios		
Debt to Equity	3.2	3.2
Revenue to Equity	13.6	11.7
Asset Turnover	3.3	2.8
Fixed Asset Ratio	75.7%	54.2%
Equity to G & A Expenses	2.1	1.8
Underbillings to Equity	43.0%	20.9%
Average Backlog to Equity	20.9	20.7
Average Backlog to Working Capital	35.2	39.9
Average Months in Backlog	18.5	12.6
Efficiency Ratios		
Days in Accounts Receivable	50.4	59.3
Days in Inventory	2.4	2.8
Days in Accounts Payable	45.1	53.5
Operating Cycle	19.0	21.1

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HEAVY AND HIGHWAY CONTRACTORS

HEAVY AND HIGHWAY CONTRACTORS

Foreword

Of the 795 survey respondents, 149 or 19% represented Heavy and Highway contractors. The SIC codes represented by this group include 1611 highway and street construction; 1622 bridge, tunnel, and elevated highway; 1623 water, sewer, and utility lines, and 1629 heavy construction, other. This section of the survey includes charts, tables, and financial data relating to these 149 respondents.

TABLE OF CONTENTS PAGE

CORPORATE PROFILE OF HEAVY AND HIGHWAY CONTRACTORS

Legal Form of Business 88
Ownership of Business 88
Type of Contractor 88
Role of Contractor 89
Union/Open Shop Contractor 89
Location of Work 89
Source of Work 90
Longevity 90
Employee Benefits 90
Bonded Work 94
Self-Insurance 93
Types of Retainage 93
Cash Management 94
Substance Abuse Testing 95
Other Characteristics 96
Opinions 97

ACCOUNTING POLICIES AND METHODS

Contract Revenue Recognition Policies 98
Investments in Joint Ventures 100
Depreciation Methods 100
Inventory Valuation Methods 100

FINANCIAL DATA

Selected Financial Data 101
Composite Financial Data 102
Selected Regional Financial Data 103
Regional Financial Data 104
Selected Size Financial Data 110
Size Financial Data 111

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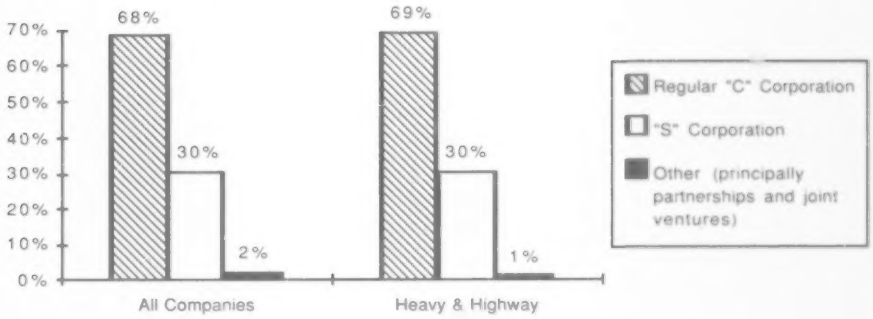
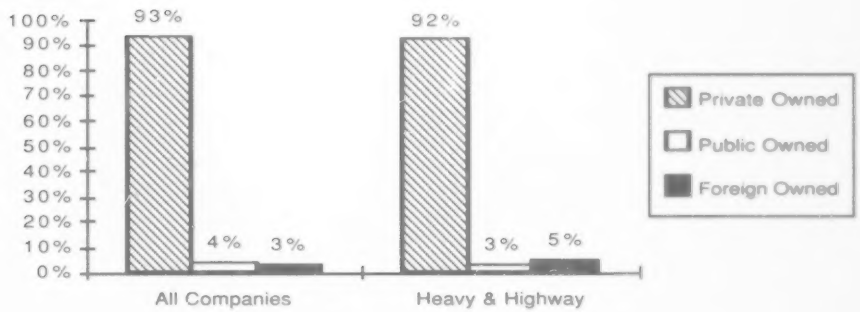
CORPORATE PROFILE

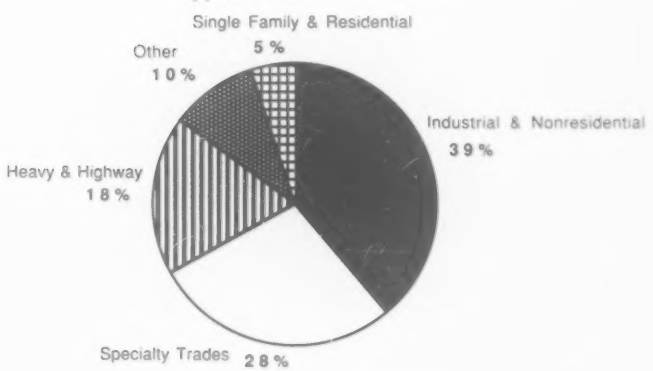
Legal Form of Business



Ownership of Business



Type of Contractor



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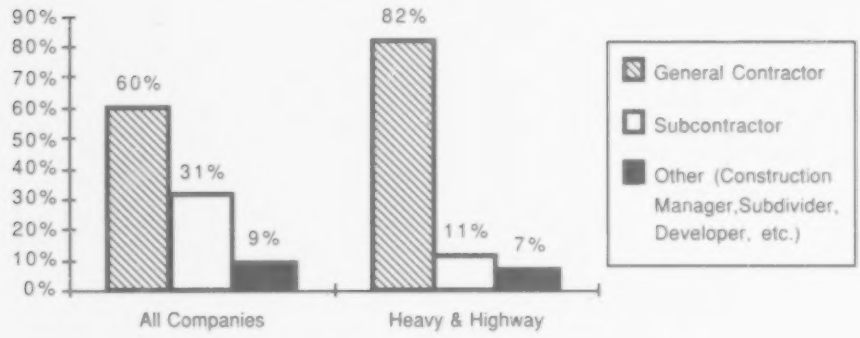
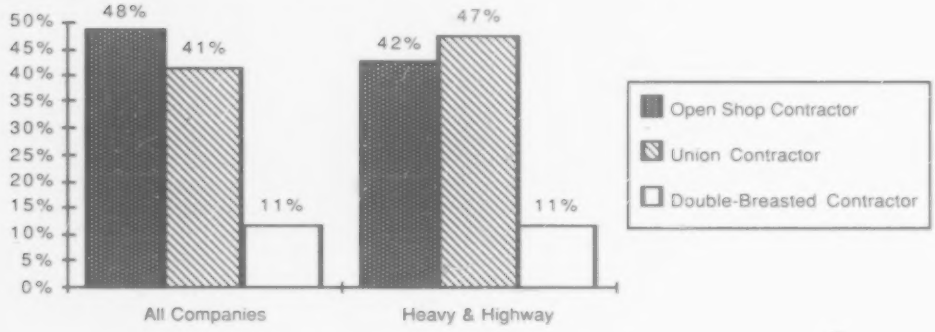
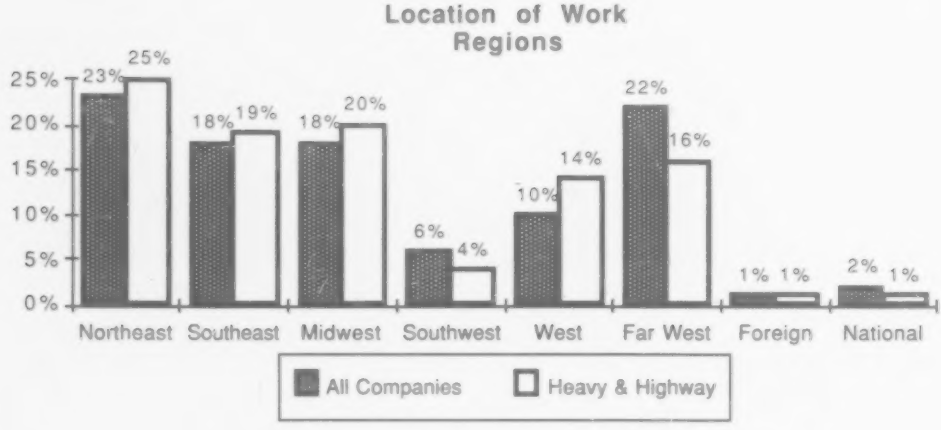
Role of Contractor



Union/Open Shop Contractors



Location of Work Regions



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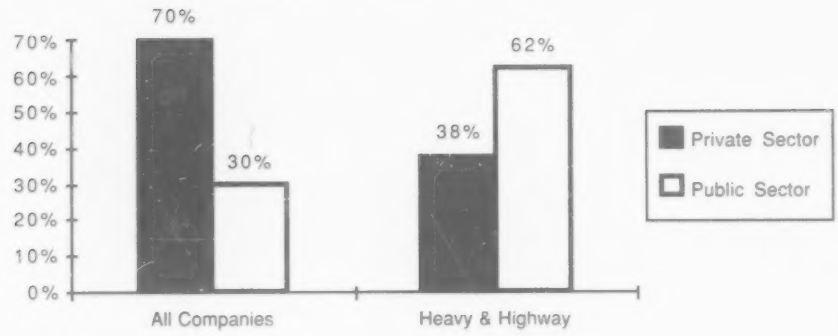
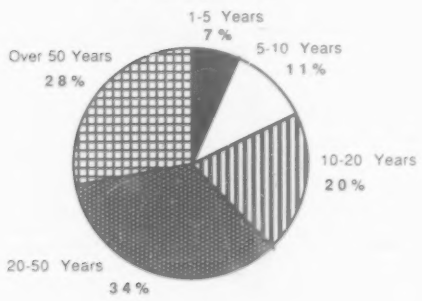
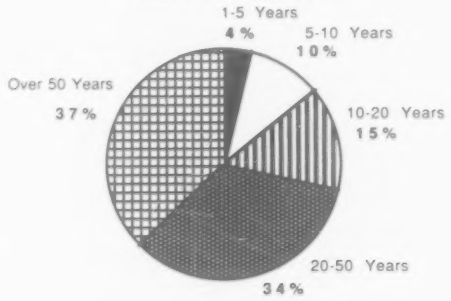
Source of Work



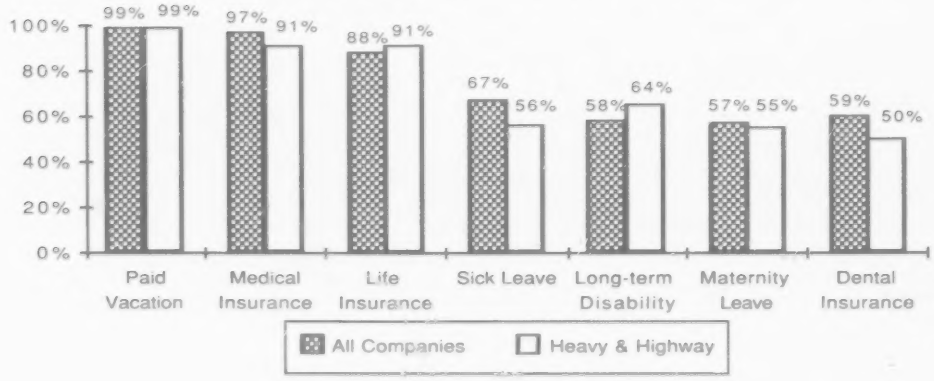
Longevity of Business
All Companies



Longevity of Business
Heavy & Highway



Most Common Employee Benefits
(Percentage of Salaried Employees Having Benefit)



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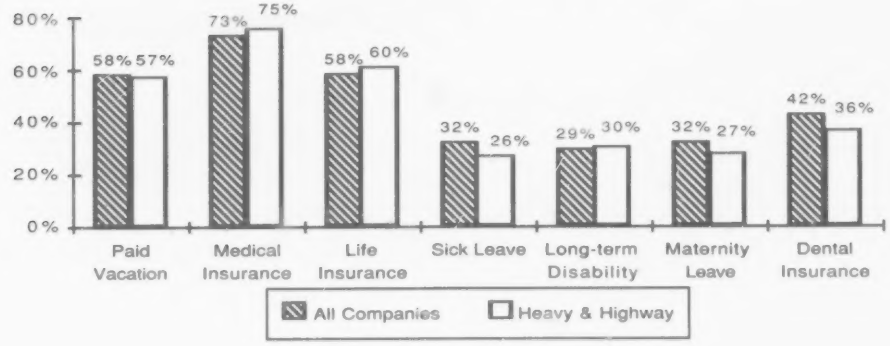
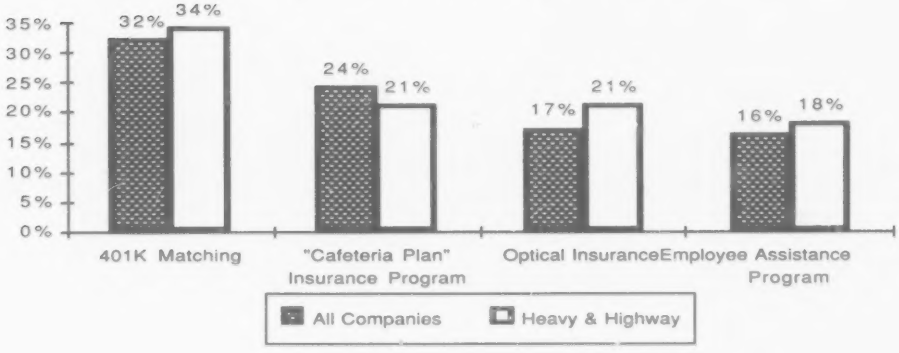
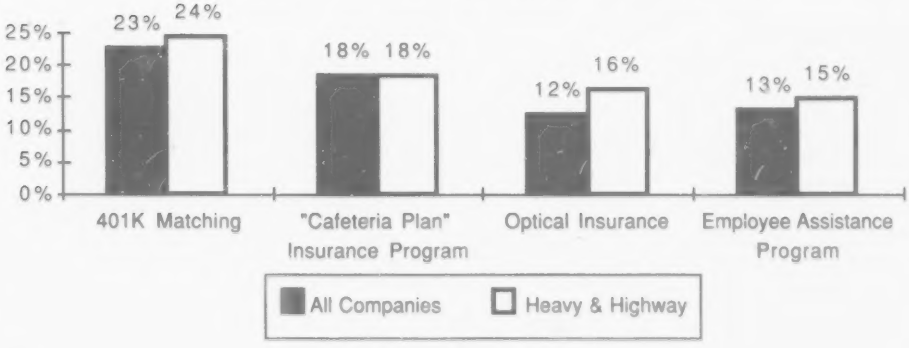
Most Common Employee Benefits
(Percentage of Hourly Employees Having Benefit)



Least Common Employee Benefits
(Percentage of Salaried Employees Having Benefit)



Least Common Employee Benefits
(Percentage of Hourly Employees Having Benefit)



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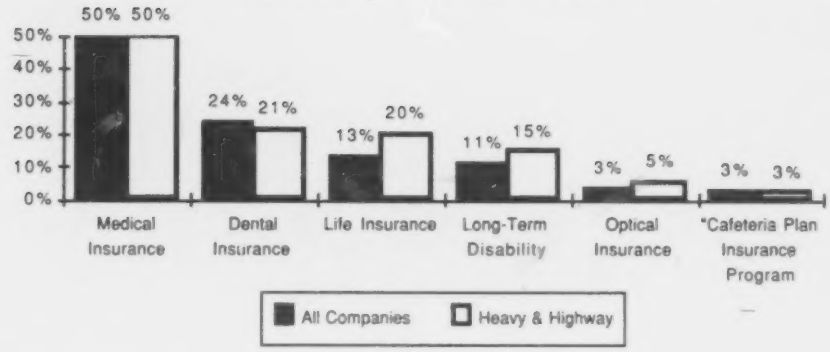
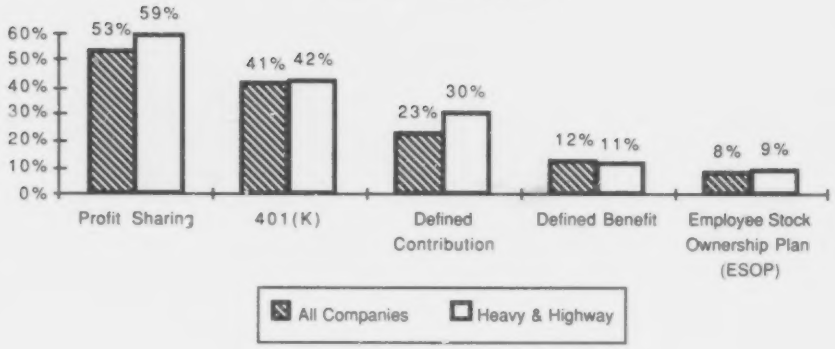
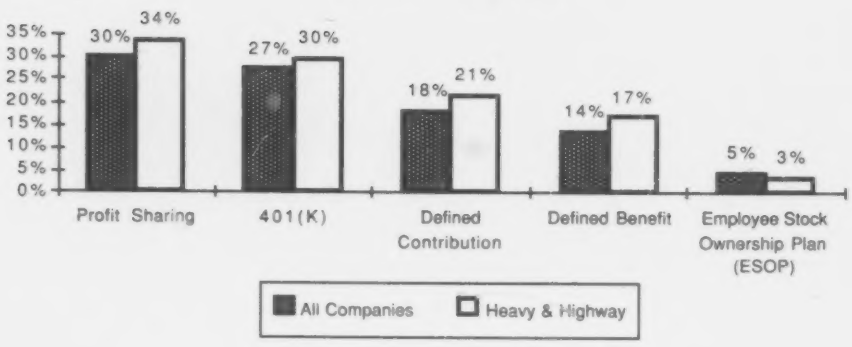
Employee Pays a Portion of Benefits



Employee Benefit Plans (Salaried Employees)



Employee Benefit Plans (Hourly Employees)



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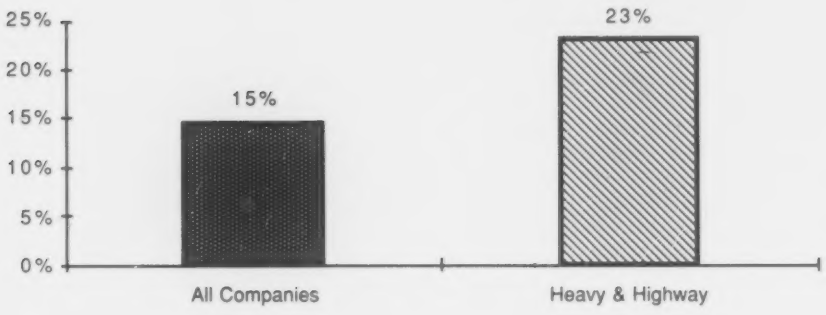
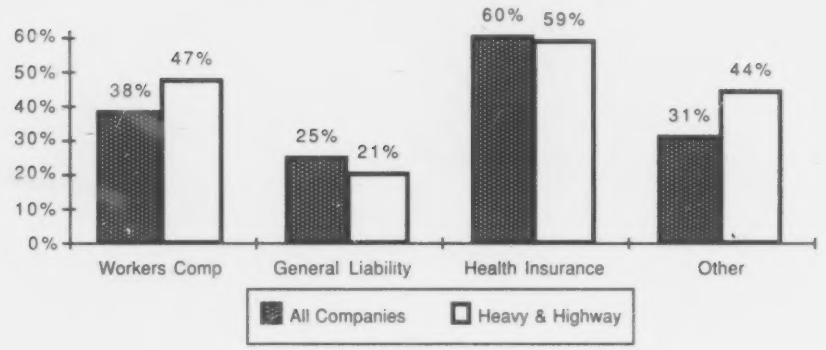
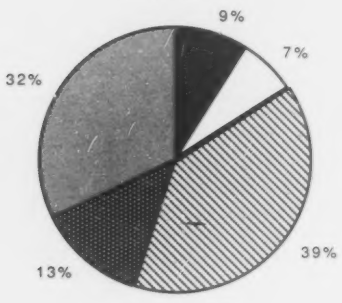
Companies which are Self-Insured

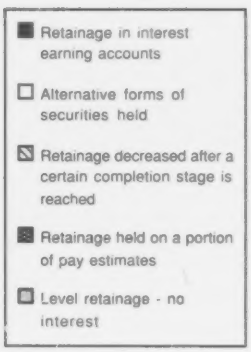


Areas of Self-Insurance
(For Companies which are Self-Insured)

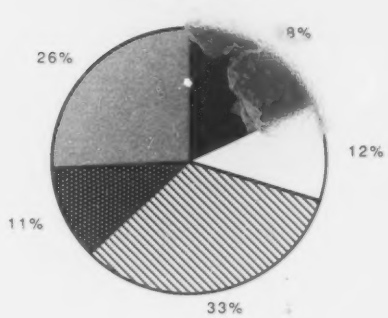


Types of Contract Retainage
All Companies




Retainage in interest earning accounts
Alternative forms of securities held
Retainage decreased after a certain completion stage is reached
Retainage held on a portion of pay estimates
Level retainage - no interest

Types of Contract Retainage
Heavy & Highway



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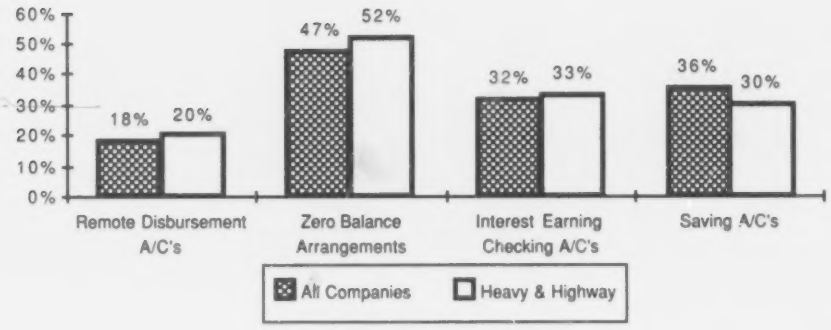
Look-back Method of Interest Computation for Completed Long-term Contracts

	All Companies	Heavy & Highway
Average man hours incurred complying with the rule	40	65
Average additional outside tax consulting fees paid	$1,982	$2,005
Average amount to (from) IRS reported on Form 8697	$4,577	$4,878

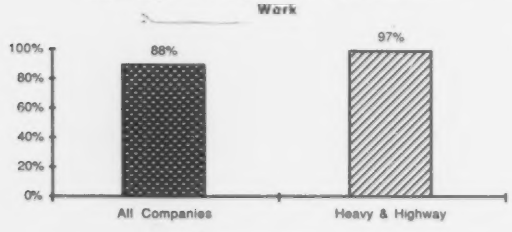
Cash Management



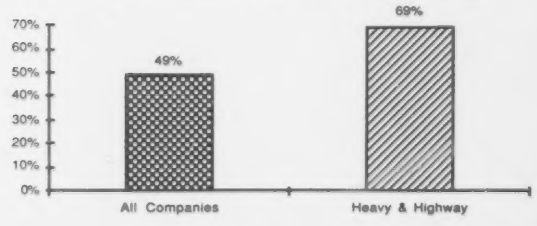
Bonuses

	Bonus Determined by:			
Applicable to:	Discretionary	Goal Attainment	Formula	Other
Corporate Executives	68%	8%	23%	1%
Project Managers	69%	11%	18%	2%
Project Superintendent	71%	11%	16%	2%
Estimators	77%	8%	13%	2%

Percentage of Companies that Perform Bonded Work



Percentage of Contract Revenue that is Bondec (For Companies that Perform Bonded Work)



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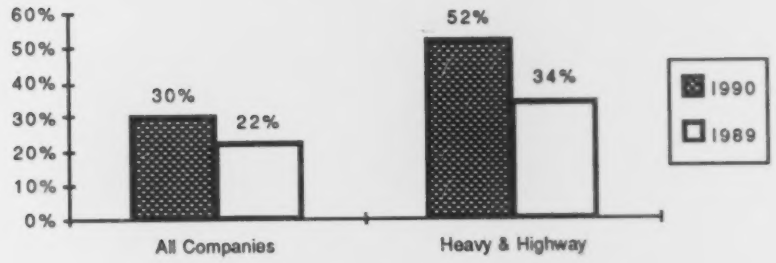
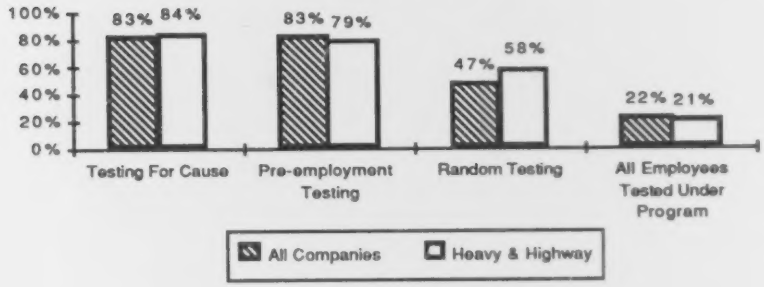
Companies with Substance Abuse Testing Programs



Methods of Substance Abuse Testing
(For Companies with Testing Programs)



STAFFING

	Weighted Average Number of Employees
Corporate Executives	5
Construction Management	16
Construction Field Employees	296
Engineering and estimating	13
Accounting and Finance	8
Data Processing	3
Human Resources	1
Legal	0
Maintenance and Repair Shop	13
Marketing and Business Development	1
Internal Audit	0
All Others	21
Total employees	376

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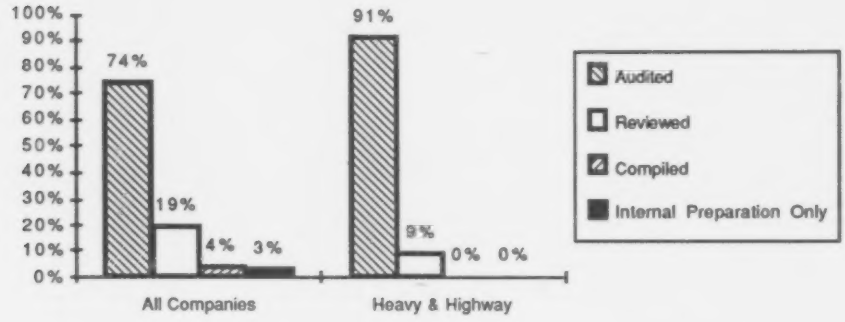
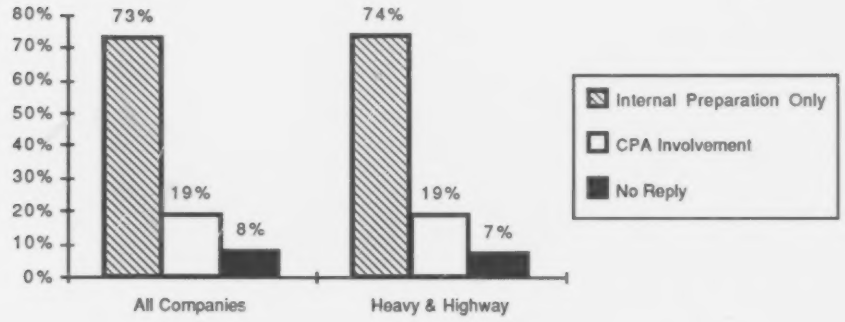
CORPORATE FINANCIAL STATEMENTS

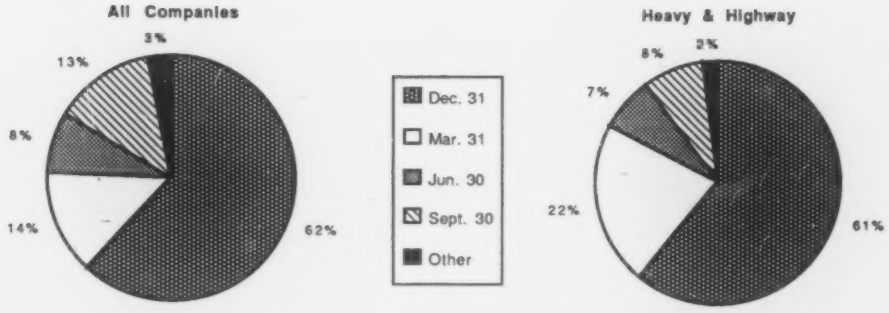
Annual Financial Statements



Interim Financial Statements



Corporate Fiscal Year-End



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OPINIONS

Top Five Areas of Most Challenge in the Next Five Years

	Percent of Companies Selecting Area
Insurance (Workers comp., medical, life, etc.)	77%
Manpower Needs	41%
Other Federal Legislation	32%
Litigation	28%
Federal Tax Legislation	23%

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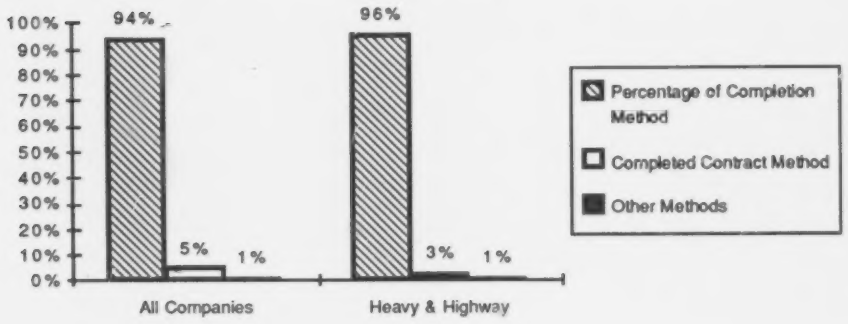
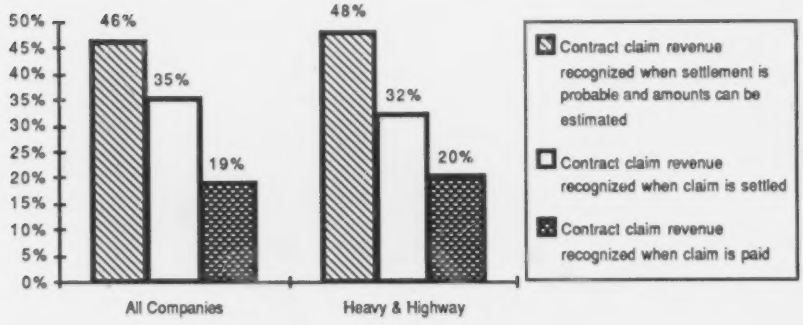
ACCOUNTING POLICIES AND PROCEDURES

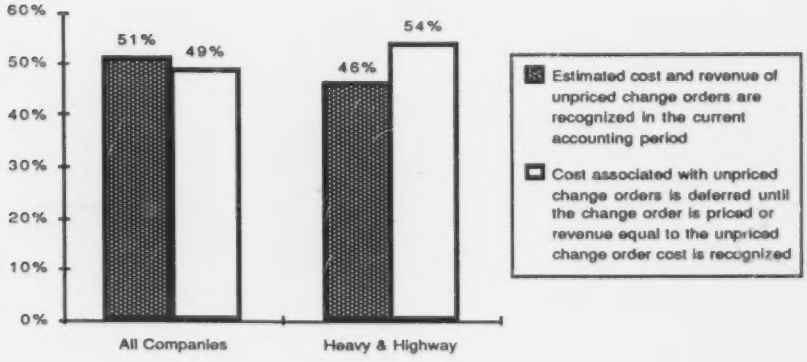
Contract Revenue Recognition



Contract Claim Revenue Recognition



Unpriced Change Order Cost



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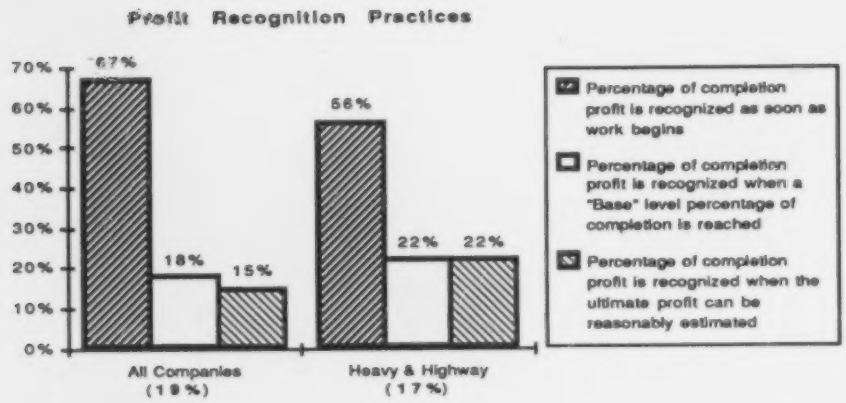
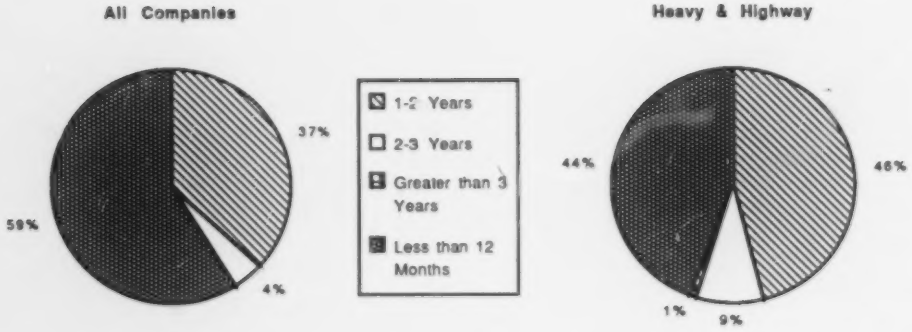


The percentages below the names represent the average "base" level of percentage completion at which contract profit recognition begins for those companies using such accounting policy.

Types of Contracts

Type of Contract	Percent of Work Performed	
	All Companies	Heavy & Highway
Fixed Price	58%	42%
Cost Plus-Guaranteed Maximum	12%	1%
Unit Price	11%	44%
Time and Materials	8%	7%
Cost Plus	7%	4%
Construction Management	3%	1%
Others	1%	1%
Total	100%	100%

LENGTH OF CONTRACT



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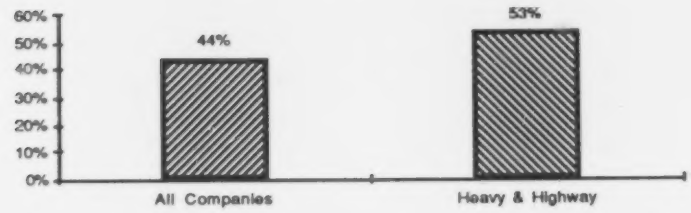
Percentage of Companies Participating in Joint Ventures in the Past Twelve Months



Investments in Joint Ventures

Accounting Method	Percentage of Each Method Used	
	All Companies	Heavy & Highway
Equity Method	51%	47%
Full Consoloidation	14%	10%
Part Equity/Part Consolidation	11%	16%
Proportionate Consolidation	8%	10%
Cost Method	12%	15%
Expanded Equity Method	1%	1%
Other	3%	1%
Total	100%	100%

Depreciation Methods

	Percentage of Each Method Used			
	Straight Line		Accelerated Methods	
Category	All Companies	Heavy & Highway	All Companies	Heavy & Highway
Buildings	84%	87%	16%	13%
Office Equipment & Furniture	66%	74%	34%	26%
Construction Equipment	66%	72%	34%	28%
Automotive Equipment	66%	74%	34%	26%
Land Improvements	81%	88%	19%	12%
Other	75%	73%	25%	27%

Inventory Valuation Methods

Method	Percentage of Each Method Used	
	All Companies	Heavy & Highway
FIFO	43%	44%
Specific Identification	21%	17%
Average Cost	24%	25%
LIFO	9%	12%
Other Methods	3%	2%
Total	100%	100%

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SELECTED FINANCIAL DATA

Heavy and Highway Contractors

	All Companies	Heavy & Highway
Number of Companies	695	132
Assets	$25,141	26,822
Liabilities	17,477	15,142
Net Worth	7,664	11,680
% Net Worth to Assets	30.5	43.5
Revenues	66,568	47,899
Gross Profit	5,951	7,475
% Gross Profit	8.9	15.6
G&A Expenses	4,558	5,769
% to Revenue	6.8	12.0
Net Income	962	1,035
% Net Income	1.4	2.2
Current Ratio	1.4	1.7
Return on Assets (%)	3.8	3.9
Return on Equity (%)	12.6	8.9

Note: All $ Amounts are in Thousands.

Discussion and Analysis

The 132 Heavy and Highway companies represented in the survey that provided financial data, compare favorably to the composite financial data of all companies. Net worth to assets (43.5%) is significantly greater than the overall percentage (30.4%). Similarly, gross profit percentage (15.6%) and net income percentage (2.2%) are higher than the comparable overall percentages (8.9% and 1.4%, respectively).

Heavy and Highway contractors generally have a significant investment in equipment. This is supported by the composite balance sheet for the Heavy and Highway group with nearly one third (30.8%) of total assets consisting of property, plant, and equipment. The composite fixed asset ratio for all 132 companies is 70.8%.

The debt to equity ratio (1.3) is in the "safe" range below 3.0. Return on equity percentage dropped 9.8% from 1989 to 1990, mostly due to the 66% increase in net worth from 1989 to 1990.

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HEAVY AND HIGHWAY CONTRACTORS
COMPOSITE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$2,561,640	9.6%	$2,053,702	10.4%
Marketable securities and short-term investments	1,368,527	5.1	549,021	2.8
Receivables:				
Contract receivables currently due	6,511,493	24.3	6,161,436	31.3
Retainages on contracts	1,533,837	5.7	1,127,604	5.7
Unbilled work	403,844	1.5	N/A	N/A
Other receivables	1,052,944	3.9	470,728	2.4
Less allowance for doubtful accounts	(61,335)	0.2	(119,990)	0.6
Total receivables, net	9,440,782	35.2	7,639,778	38.8
Inventories	1,420,292	5.3	585,985	3.0
Costs and recognized earnings in excess of billings on uncompleted contracts	1,138,443	4.2	1,296,556	6.6
Investments in construction joint ventures	224,047	0.8	106,484	0.5
Other current assets	562,848	2.1	366,209	1.9
Total current assets	16,716,579	62.3	12,597,735	63.9
Property, plant and equipment	18,937,313	70.6	14,515,991	73.7
Less accumulated depreciation	(10,668,089)	39.8	(8,304,174)	42.1
Property, plant and equipment, net	8,269,224	30.8	6,211,817	31.5
Other assets	1,632,023	6.1	852,904	4.3
Intangible assets	204,397	0.8	46,006	0.2
Total assets	$26,822,223	100.0%	$19,708,461	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$1,232,119	4.6%	$904,920	4.6%
Accounts payable				
Trade, including currently due subcontractors	3,741,632	13.9	3,093,171	15.7
Subcontractor retainages	478,649	1.8	255,439	1.3
Other	250,363	0.9	112,907	0.6
Total accounts payable	4,470,643	16.7	3,461,517	17.6
Accrued expenses	1,498,733	5.6	1,203,703	6.1
Billings in excess of costs and recognized earnings on uncompleted contracts	1,651,658	6.2	1,547,718	7.9
Income taxes				
Current	132,552	0.5	155,428	0.8
Deferred	285,153	1.1	220,444	1.1
Total income taxes	417,705	1.6	375,872	1.9
Other current liabilities	433,404	1.6	614,882	3.1
Total current liabilities	9,704,261	36.2	8,108,613	41.1
Long-term debt, excluding current portion	4,185,187	15.6	3,129,784	15.9
Deferred income taxes	335,995	1.3	395,855	2.0
Other	861,537	3.2	991,782	5.0
Minority interests	55,507	0.2	68,457	0.3
Total liabilities	15,142,387	56.5	12,684,450	64.4
Net worth				
Stock, par value	693,812	3.3	389,726	2.0
Additional paid-in capital	1,386,138	5.2	587,258	3.0
Retained earnings	10,563,214	39.5	6,229,626	31.6
Treasury stock	(1,183,329)	4.4	(182,600)	0.9
Total net worth	11,679,836	43.5	7,024,011	35.6
Total liabilities and net worth	$26,822,223	100.0%	$19,708,461	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$45,994,625	96.0%	$43,229,350	97.4%
Other revenue	1,904,664	4.0	1,139,782	2.6
Total revenue	47,899,289	100.0	44,369,133	100.0
Contract cost	(38,783,066)	81.0	(37,751,360)	85.1
Other cost	(1,641,645)	3.4	(1,007,531)	2.3
Total cost	(40,424,711)	84.4	(38,758,891)	87.4
Gross Profit	7,474,578	15.6	5,610,242	12.6
Selling, general and administrative expenses	(5,768,833)	12.0	(3,678,566)	8.3
Interest income	484,842	1.0	N/A	N/A
Interest expense	(836,496)	1.7	N/A	N/A
Other income (expense), net	415,133	0.9	(239,032)	0.5
Net earnings (loss) before taxes	1,769,224	3.7	1,692,643	3.8
Income taxes	(733,905)	1.5	(376,061)	0.8
Net earnings (loss)	$1,035,319	2.2%	$1,316,582	3.0%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	132
1989	77

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.7	1.6
Quick Ratio	1.4	1.3
Days of Cash	19.3	16.7
Work. Cap. Turnover	6.8	8.9
Profitability Ratios		
Return on Assets	3.9%	6.7%
Return on Equity	8.9%	18.7%
Times Interest Earned	3.1	13.1
Leverage Ratios		
Debt to Equity	1.3	1.8
Revenue to Equity	4.1	6.3
Asset Turnover	1.8	2.3
Fixed Asset Ratio	70.8%	68.4%
Equity to G & A Expenses	2.0	-4.0
Underbillings to Equity	13.2%	18.9%
Average Backlog to Equity	3.3	5.4
Average Backlog to Working Capital	5.5	11.1
Average Months in Backlog	9.7	7.4
Efficiency Ratios		
Days in Accounts Receivable	71.0	62.0
Days in Inventory	12.6	5.4
Days in Accounts Payable	39.8	32.2
Operating Cycle	63.0	51.9

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SELECTED REGIONAL FINANCIAL DATA

Heavy and Highway Contractors

	All Companies	Regions					
		NE	SE	MW	SW	W	FW
Number of Companies	132	35	25	27	6	20	22
Assets	$26,822	29,161	18,057	16,947	39,423	27,122	35,675
Liabilities	15,142	15,991	10,511	8,123	21,286	16,743	21,165
Net Worth	11,680	13,170	7,547	8,824	18,137	10,379	14,510
% Net Worth to Assets	43.5	45.2	41.8	52.1	46.0	38.3	40.7
Revenues	47,899	50,414	30,550	38,242	78,732	55,054	49,610
Gross Profit	7,475	9,646	3,177	8,246	6,715	11,490	4,750
% Gross Profit	15.6	19.1	10.4	21.6	8.5	20.9	9.6
G&A Expenses	5,769	7,760	2,027	6,594	4,989	8,597	2,574
% to Revenue	12.0	15.4	6.6	17.2	6.3	15.6	5.2
Net Income	1,035	784	681	1,360	1,433	1,180	2,065
% Net Income	2.2	1.6	2.2	3.6	1.8	2.1	4.2
Current Ratio	1.7	2.1	1.5	2.2	1.5	1.4	1.5
Return on Assets (%)	3.9	2.7	3.8	8.0	3.6	4.4	5.8
Return on Equity (%)	8.9	5.9	9.0	15.4	7.9	11.4	14.2

Note: All $ amounts are in thousands

Discussion and Analysis

The number of Heavy and Highway contractors participating in the survey are evenly dispersed among four of the six regions. The Southwest (6) and the West (20) have the smallest number of companies.

The net worth to assets percentage ranges from 38.3% in the West to 52.1% in the Midwest. Net income percentage is highest in the Far West (4.2%) and lowest in the Northeast (1.6%). Gross profit percentage is lowest in the Southwest (8.5%) and highest in the Midwest (21.6%). For the majority of regions, the gross profit percentage has increased since 1989. Comparably, for the majority of regions, G & A expense percentage has increased since 1989. The lowest of the regions is the Southwest (6.3%) and the highest region is the Midwest (17.2%). Thus the Midwest has the highest gross profit percentage (21.6%) and the highest G & A expense percentage (17.2%).

Focusing on the return on assets and return on equity percentages, the Heavy and Highway contractors in the Northeast region appear to be experiencing a downward turn in their economy from 1989 while the West and Midwest regions remain stable. The Northeast experienced a considerable drop in their return on equity percentage from 23.4% in 1989 to 5.9% in 1990. This was the lowest return on equity percentage for all of the regions.

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HEAVY AND HIGHWAY CONTRACTORS
NORTHEAST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$2,311,542	7.9%	$2,025,072	7.1%
Marketable securities and short-term investments	2,385,584	8.2	240,617	0.8
Receivables:				
Contract receivables currently due	8,100,913	27.8	10,193,364	35.5
Retainages on contracts	1,203,181	4.1	1,589,180	5.5
Unbilled work	921,175	3.2	N/A	N/A
Other receivables	814,508	2.8	402,598	1.4
Less allowance for doubtful accounts	(139,211)	0.5	(343,103)	1.2
Total receivables, net	10,900,566	37.4	11,842,039	41.3
Inventories	3,139,081	10.8	985,756	3.4
Costs and recognized earnings in excess of billings on uncompleted contracts	1,307,868	4.5	2,274,348	7.9
Investments in construction joint ventures	219,231	0.8	235,537	0.8
Other current assets	405,185	1.4	690,908	2.4
Total current assets	20,669,058	70.9	18,274,275	63.7
Property, plant and equipment	15,550,563	53.3	20,233,443	70.5
Less accumulated depreciation	(8,784,251)	30.1	(11,434,152)	39.8
Property, plant and equipment, net	6,766,312	23.2	8,799,290	30.7
Other assets	1,506,870	5.2	1,611,550	5.6
Intangible assets	218,657	0.7	22,552	0.1
Total assets	$29,160,897	100.0%	$28,707,666	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$1,254,769	4.3%	$1,497,331	5.2%
Accounts payable				
Trade, including currently due subcontractors	3,802,323	13.0	4,238,066	14.8
Subcontractor retainages	398,514	1.4	239,128	0.8
Other	309,611	1.1	36,596	0.1
Total accounts payable	4,510,448	15.5	4,513,790	15.7
Accrued expenses	1,406,425	4.8	2,572,286	9.0
Billings in excess of costs and recognized earnings on uncompleted contracts	1,822,809	6.3	1,448,194	5.0
Income taxes				
Current	156,303	0.5	382,483	1.3
Deferred	214,109	0.7	422,528	1.5
Total income taxes	370,412	1.3	805,010	2.8
Other current liabilities	499,806	1.7	1,617,930	5.6
Total current liabilities	9,864,669	33.8	12,454,501	43.4
Long-term debt, excluding current portion	4,304,095	14.8	4,009,673	14.0
Deferred income taxes	498,340	1.7	815,413	2.8
Other	1,240,575	4.3	2,920,885	10.2
Minority interests	90,539	0.3	172,040	0.6
Total liabilities	15,991,219	54.8	20,372,533	71.0
Net worth				
Stock, par value	1,511,014	5.2	431,163	1.5
Additional paid-in capital	936,930	3.2	556,422	1.9
Retained earnings	11,412,726	39.1	7,903,134	27.5
Treasury stock	(690,993)	2.4	(555,585)	1.9
Total net worth	13,169,678	45.2	8,335,133	29.0
Total liabilities and net worth	$29,160,897	100.0%	$28,707,666	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$49,847,874	98.9%	$66,732,302	98.6%
Other revenue	566,539	1.1	946,841	1.4
Total revenue	50,414,413	100.0	67,679,143	100.0
Contract cost	(39,433,622)	78.2	(55,726,223)	82.3
Other cost	(1,334,826)	2.6	(788,445)	1.2
Total cost	(40,768,448)	80.9	(56,514,668)	83.5
Gross Profit	9,645,965	19.1	11,164,474	16.5
Selling, general and administrative expenses	(7,760,317)	15.4	(7,130,606)	10.5
Interest income	590,472	1.2	N/A	N/A
Interest expense	(1,017,111)	2.0	N/A	N/A
Other income (expense), net	114,601	0.2	(960,757)	1.4
Net earnings (loss) before taxes	1,573,610	3.1	3,073,111	4.5
Income taxes	(790,034)	1.6	(1,119,236)	1.7
Net earnings (loss)	$783,577	1.6%	$1,953,875	2.9%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	35
1989	17

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	2.1	1.5
Quick Ratio	1.8	1.1
Days of Cash	16.5	10.8
Work. Cap. Turnover	4.7	11.8
Profitability Ratios		
Return on Assets	2.7%	6.8%
Return on Equity	5.9%	23.4%
Times Interest Earned	2.5	11.5
Leverage Ratios		
Debt to Equity	1.2	2.4
Revenue to Equity	3.8	8.1
Asset Turnover	1.7	2.4
Fixed Asset Ratio	51.4%	105.6%
Equity to G & A Expenses	1.7	1.2
Underbillings to Equity	16.9%	27.3%
Average Backlog to Equity	3.8	5.3
Average Backlog to Working Capital	4.6	7.7
Average Months in Backlog	11.9	8.8
Efficiency Ratios		
Days in Accounts Receivable	77.8	63.0
Days in Inventory	27.7	6.2
Days in Accounts Payable	39.8	38.8
Operating Cycle	82.2	51.2

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HEAVY AND HIGHWAY CONTRACTORS
SOUTHEAST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$1,478,033	8.2%	$1,860,806	12.4%
Marketable securities and short-term investments	1,227,718	6.8	246,729	1.6
Receivables:				
Contract receivables currently due	4,960,236	27.5	5,135,904	34.1
Retainages on contracts	1,137,645	6.3	856,054	5.7
Unbilled work	128,150	0.7	N/A	N/A
Other receivables	330,684	1.8	126,411	0.8
Less allowance for doubtful accounts	(68,458)	0.4	(17,907)	0.1
Total receivables, net	6,488,258	35.9	6,103,462	40.6
Inventories	353,147	2.0	422,887	2.8
Costs and recognized earnings in excess of billings on uncompleted contracts	422,956	2.3	1,928,274	12.8
Investments in construction joint ventures	12,134	0.1	26,212	0.2
Other current assets	836,381	4.6	280,422	1.9
Total current assets	10,818,626	59.9	10,868,792	72.2
Property, plant and equipment	13,066,109	72.4	7,867,809	52.3
Less accumulated depreciation	(6,741,863)	37.3	(3,951,663)	26.3
Property, plant and equipment, net	6,324,247	35.0	3,916,146	26.0
Other assets	810,001	4.5	137,883	0.9
Intangible assets	104,492	0.6	120,572	0.8
Total assets	$18,057,365	100.0%	$15,043,394	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$1,676,331	9.3%	$983,908	6.5%
Accounts payable				
Trade, including currently due subcontractors	2,251,796	12.5	2,533,296	16.8
Subcontractor retainages	256,813	1.4	205,353	1.4
Other	58,449	0.3	2,713	0.0
Total accounts payable	2,567,057	14.2	2,741,361	18.2
Accrued expenses	530,422	2.9	783,047	5.2
Billings in excess of costs and recognized earnings on uncompleted contracts	1,374,757	7.6	2,269,708	15.1
Income taxes				
Current	204,095	1.1	135,935	0.9
Deferred	46,787	0.3	7,505	0.0
Total income taxes	250,882	1.4	143,440	1.0
Other current liabilities	644,677	3.6	121,522	0.8
Total current liabilities	7,044,127	39.0	7,042,986	46.8
Long-term debt, excluding current portion	2,599,164	14.4	2,596,518	17.3
Deferred income taxes	489,480	2.7	157,891	1.0
Other	311,265	1.7	1,054,150	7.0
Minority interests	66,601	0.4	1,098	0.0
Total liabilities	10,510,617	58.2	10,852,643	72.1
Net worth				
Stock, par value	526,452	2.9	392,880	2.6
Additional paid-in capital	1,349,927	7.5	1,187,706	7.9
Retained earnings	5,905,634	32.7	2,610,164	17.4
Treasury stock	(235,284)	1.3	0	0.0
Total net worth	7,546,748	41.8	4,190,751	27.9
Total liabilities and net worth	$18,057,365	100.0%	$15,043,394	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$30,071,994	98.4%	$32,331,067	98.6%
Other revenue	477,826	1.6	465,255	1.4
Total revenue	30,549,820	100.0	32,796,322	100.0
Contract cost	(27,246,102)	89.2	(28,553,472)	87.1
Other cost	(126,786)	0.4	(329,328)	1.0
Total cost	(27,372,888)	89.6	(28,882,800)	88.1
Gross Profit	3,176,931	10.4	3,913,522	11.9
Selling, general and administrative expenses	(2,026,931)	6.6	(2,581,474)	7.9
Interest income	90,831	0.3	N/A	N/A
Interest expense	(292,553)	1.0	N/A	N/A
Other income (expense), net	(34,211)	0.1	(123,218)	0.4
Net earnings (loss) before taxes	914,068	3.0	1,208,831	3.7
Income taxes	(233,145)	0.8	(129,271)	0.4
Net earnings (loss)	$680,923	2.2%	$1,079,560	3.3%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	25
1989	16

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.5	1.5
Quick Ratio	1.3	1.2
Days of Cash	17.4	20.4
Work. Cap. Turnover	8.1	8.6
Profitability Ratios		
Return on Assets	3.8%	7.2%
Return on Equity	9.0%	25.8%
Times Interest Earned	4.1	19.8
Leverage Ratios		
Debt to Equity	1.4	2.6
Revenue to Equity	4.0	7.8
Asset Turnover	1.7	2.2
Fixed Asset Ratio	83.8%	93.4%
Equity to G & A Expenses	3.7	1.6
Underbillings to Equity	7.3%	46.0%
Average Backlog to Equity	3.0	6.5
Average Backlog to Working Capital	6.0	8.3
Average Months in Backlog	8.9	10.1
Efficiency Ratios		
Days in Accounts Receivable	76.5	67.0
Days in Inventory	4.6	5.3
Days in Accounts Payable	33.8	34.2
Operating Cycle	64.8	58.5

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HEAVY AND HIGHWAY CONTRACTORS
MIDWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$2,212,203	13.1%	$1,686,323	10.6%
Marketable securities and short-term investments	1,295,447	7.6	847,837	5.3
Receivables:				
Contract receivables currently due	3,618,204	21.3	5,422,948	34.1
Retainages on contracts	1,130,060	6.7	928,746	5.8
Unbilled work	226,785	1.3	N/A	N/A
Other receivables	252,235	1.5	485,363	3.1
Less allowance for doubtful accounts	(26,237)	0.2	(53,014)	0.3
Total receivables, net	5,201,047	30.7	6,784,043	42.7
Inventories	807,920	4.8	239,914	1.5
Costs and recognized earnings in excess of billings on uncompleted contracts	1,608,338	9.5	1,077,570	6.8
Investments in construction joint ventures	17,871	0.1	63,092	0.4
Other current assets	271,862	1.6	294,425	1.8
Total current assets	11,414,709	67.4	10,993,204	69.2
Property, plant and equipment	12,846,351	75.8	11,612,336	73.1
Less accumulated depreciation	(7,955,969)	46.9	(7,131,303)	44.9
Property, plant and equipment, net	4,890,382	28.9	4,481,033	28.2
Other assets	595,301	3.5	346,250	2.2
Intangible assets	47,006	0.3	60,282	0.4
Total assets	$16,947,397	100.0%	$15,880,769	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$288,650	1.7%	$442,394	2.8%
Accounts payable				
Trade, including currently due subcontractors	2,470,364	14.6	2,566,806	16.2
Subcontractor retainages	215,191	1.3	210,787	1.3
Other	276,889	1.6	96,982	0.6
Total accounts payable	2,962,434	17.5	2,874,575	18.1
Accrued expenses	809,420	4.8	859,347	5.4
Billings in excess of costs and recognized earnings on uncompleted contracts	704,328	4.2	1,201,619	7.6
Income taxes				
Current	91,780	0.5	40,388	0.3
Deferred	105,635	0.6	73,668	0.5
Total income taxes	197,415	1.2	114,056	0.7
Other current liabilities	240,306	1.4	607,355	3.8
Total current liabilities	5,202,353	30.7	6,099,345	38.4
Long-term debt, excluding current portion	2,570,857	15.2	2,521,155	15.9
Deferred income taxes	196,220	1.2	286,932	1.8
Other	151,444	0.9	14,456	0.1
Minority interests	0	0.0	636	0.0
Total liabilities	8,123,074	47.9	8,922,523	56.2
Net worth				
Stock, par value	587,741	3.5	293,448	1.8
Additional paid in capital	245,832	1.5	218,525	1.4
Retained earnings	9,014,840	53.2	6,484,938	40.8
Treasury stock	(1,024,090)	6.0	(38,665)	0.2
Total net worth	8,824,323	52.1	6,958,246	43.8
Total liabilities and net worth	$16,947,397	100.0%	$15,880,769	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$36,861,751	96.4%	$33,401,858	96.6%
Other revenue	1,379,785	3.6	1,181,065	3.4
Total revenue	38,241,536	100.0	34,582,923	100.0
Contract cost	(29,836,271)	78.0	(29,375,277)	84.9
Other cost	(159,393)	0.4	(1,222,633)	3.5
Total cost	(29,995,664)	78.4	(30,597,910)	88.5
Gross Profit	8,245,872	21.6	3,985,013	11.5
Selling, general and administrative expenses	(6,594,140)	17.2	(2,159,937)	6.2
Interest income	630,822	1.6	N/A	N/A
Interest expense	(787,095)	2.1	N/A	N/A
Other income (expense), net	534,237	1.4	(152,444)	0.4
Net earnings (loss) before taxes	2,029,695	5.3	1,672,633	4.8
Income taxes	(670,135)	1.8	(565,730)	1.6
Net earnings (loss)	$1,359,560	3.6%	$1,106,903	3.2%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	27
1989	18

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	2.2	1.8
Quick Ratio	1.7	1.5
Days of Cash	20.8	17.8
Work Cap Turnover	6.2	7.1
Profitability Ratios		
Return on Assets	8.0%	7.0%
Return on Equity	15.4%	15.9%
Times Interest Earned	3.6	12.0
Leverage Ratios		
Debt to Equity	0.9	1.3
Revenue to Equity	4.3	5.0
Asset Turnover	2.3	2.2
Fixed Asset Ratio	55.4%	64.4%
Equity to G & A Expenses	1.3	3.2
Underbillings to Equity	20.8%	15.5%
Average Backlog to Equity	2.2	7.9
Average Backlog to Working Capital	3.1	6.3
Average Months in Backlog	6.1	7.0
Efficiency Ratios		
Days in Accounts Receivable	49.0	70.6
Days in Inventory	9.7	2.8
Days in Accounts Payable	35.6	33.8
Operating Cycle	43.9	57.2

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HEAVY AND HIGHWAY CONTRACTORS
SOUTHWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$6,089,849	15.4%	$7,891,715	24.1%
Marketable securities and short term investments	1,367,306	3.5	0	0.0
Receivables:				
Contract receivables currently due	6,452,082	16.4	7,840,538	23.9
Retainages on contracts	1,666,395	4.2	1,542,536	4.7
Unbilled work	0	0.0	N/A	N/A
Other receivables	507,451	1.3	1,868,634	5.7
Less allowance for doubtful accounts	(10,878)	0.0	0	0.0
Total receivables, net	8,615,051	21.9	11,251,707	34.4
Inventories	67,176	0.2	331,799	1.0
Costs and recognized earnings in excess of billings on uncompleted contracts	3,416,837	8.7	1,061,006	3.2
Investments in construction joint ventures	223,630	0.6	877,740	2.7
Other current assets	358,948	0.9	402,021	1.2
Total current assets	20,138,797	51.1	21,815,988	66.6
Property, plant and equipment	36,494,413	92.6	26,235,206	80.1
Less accumulated depreciation	(19,613,948)	49.8	(16,479,226)	50.3
Property, plant and equipment, net	16,880,466	42.8	9,755,979	29.8
Other assets	2,348,019	6.0	1,175,208	3.6
Intangible assets	55,478	0.1	0	0.0
Total assets	$39,422,760	100.0%	$32,747,175	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long term debt	$832,326	2.1%	$1,668,462	5.1%
Accounts payable				
Trade, including currently due subcontractors	4,696,853	11.9	4,531,447	13.8
Subcontractor retainages	623,718	1.6	605,011	1.8
Other	931,256	2.4	0	0.0
Total accounts payable	6,251,826	15.9	5,136,458	15.7
Accrued expenses	573,683	1.5	360,618	1.1
Billings in excess of costs and recognized earnings on uncompleted contracts	2,860,886	7.3	6,554,339	20.0
Income taxes				
Current	4,224	0.0	14,563	0.0
Deferred	1,174,526	3.0	983,024	3.0
Total income taxes	1,178,750	3.0	997,588	3.0
Other current liabilities	1,615,342	4.1	0	0.0
Total current liabilities	13,312,815	33.8	14,717,463	44.9
Long term debt, excluding current portion	7,666,179	19.4	2,782,349	8.5
Deferred income taxes	306,873	0.8	1,135,045	3.5
Other	0	0.0	0	0.0
Minority interests	0	0.0	0	0.0
Total liabilities	21,285,868	54.0	18,634,857	56.9
Net worth				
Stock, par value	827,796	2.1	1,937,710	5.9
Additional paid in capital	885,128	2.2	537,545	1.6
Retained earnings	29,133,073	73.9	11,637,063	35.5
Treasury stock	(12,709,105)	32.2	0	0.0
Total net worth	18,136,892	46.0	14,112,318	43.1
Total liabilities and net worth	$39,422,760	100.0%	$32,747,175	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$74,847,183	95.1%	$82,936,614	99.8%
Other revenue	3,884,537	4.9	151,800	0.2
Total revenue	78,731,720	100.0	83,088,414	100.0
Contract cost	(69,579,801)	88.4	(76,494,607)	92.1
Other cost	(2,437,327)	3.1	0	0.0
Total cost	(72,017,128)	91.5	(76,494,607)	92.1
Gross Profit	6,714,592	8.5	6,593,807	7.9
Selling, general and administrative expenses	(4,989,268)	6.3	(4,566,765)	5.5
Interest income	376,755	0.5	N/A	N/A
Interest expense	(881,192)	1.1	N/A	N/A
Other income (expense), net	648,236	0.8	569,203	0.7
Net earnings (loss) before taxes	1,869,124	2.4	2,596,245	3.1
Income taxes	(436,547)	0.6	(901,707)	1.1
Net earnings (loss)	$1,432,577	1.8%	$1,694,539	2.0%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	6
1989	5

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.5	1.5
Quick Ratio	1.2	1.3
Days of Cash	27.8	34.2
Work Cap Turnover	11.5	11.7
Profitability Ratios		
Return on Assets	3.6%	5.2%
Return on Equity	7.9%	12.0%
Times Interest Earned	3.1	7.8
Leverage Ratios		
Debt to Equity	1.2	1.3
Revenue to Equity	4.3	5.9
Asset Turnover	2.0	2.5
Fixed Asset Ratio	93.1%	68.1%
Equity to G & A Expenses	3.6	3.1
Underbillings to Equity	18.8%	7.9%
Average Backlog to Equity	4.7	6.9
Average Backlog to Working Capital	12.4	9.9
Average Months in Backlog	12.9	8.1
Efficiency Ratios		
Days in Accounts Receivable	39.4	48.8
Days in Inventory	0.3	1.6
Days in Accounts Payable	31.3	24.2
Operating Cycle	36.3	60.3

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HEAVY AND HIGHWAY CONTRACTORS
WEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$1,816,222	6.7%	$769,614	4.9%
Marketable securities and short term investments	307,729	1.1	1,093,466	6.9
Receivables:				
Contract receivables currently due	5,552,337	20.5	4,079,668	25.8
Retainages on contracts	1,671,873	6.2	658,508	4.2
Unbilled work	413,674	1.5	N/A	N/A
Other receivables	376,858	1.4	408,597	2.6
Less allowance for doubtful accounts	(138,812)	0.5	(36,500)	0.2
Total receivables, net	7,875,929	29.0	5,110,273	32.3
Inventories	1,596,491	5.9	1,034,545	6.5
Costs and recognized earnings in excess of billings on uncompleted contracts	645,074	2.4	534,037	3.4
Investments in construction joint ventures	22,152	0.1	0	0.0
Other current assets	601,507	2.2	79,308	0.5
Total current assets	12,865,104	47.4	8,621,243	54.5
Property, plant and equipment	23,514,029	86.7	19,754,029	124.8
Less accumulated depreciation	(11,249,546)	41.5	(13,507,161)	85.3
Property, plant and equipment, net	12,264,483	45.2	6,246,868	39.5
Other assets	1,292,602	4.8	958,053	6.1
Intangible assets	699,611	2.6	0	0.0
Total assets	$27,121,801	100.0%	$15,826,164	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$1,063,442	3.9%	$1,093,956	6.9%
Accounts payable				
Trade, including currently due subcontractors	4,112,744	15.2	2,761,395	17.4
Subcontractor retainages	840,318	3.1	341,875	2.2
Other	112,748	0.4	15,602	0.1
Total accounts payable	5,065,810	18.7	3,118,873	19.7
Accrued expenses	1,903,795	7.0	846,162	5.3
Billings in excess of costs and recognized earnings on uncompleted contracts	1,057,852	3.9	618,560	3.9
Income taxes				
Current	143,229	0.5	125,044	0.8
Deferred	128,519	0.5	35,540	0.2
Total income taxes	271,748	1.0	160,584	1.0
Other current liabilities	129,455	0.5	40,105	0.3
Total current liabilities	9,492,100	35.0	5,878,240	37.1
Long-term debt, excluding current portion	5,205,427	19.2	3,649,406	23.1
Deferred income taxes	332,809	1.2	404,851	2.6
Other	1,672,210	6.2	9,400	0.1
Minority interests	40,692	0.2	31,884	0.2
Total liabilities	16,743,238	61.7	9,973,782	63.0
Net worth				
Stock, par value	137,996	0.5	120,120	0.8
Additional paid-in capital	4,223,861	15.6	527,245	3.3
Retained earnings	6,136,044	22.6	5,205,017	32.9
Treasury stock	(119,339)	0.4	0	0.0
Total net worth	10,378,563	38.3	5,852,382	37.0
Total liabilities and net worth	$27,121,801	100.0%	$15,826,164	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$48,944,018	88.9%	$37,412,035	93.1%
Other revenue	6,110,437	11.1	2,764,983	6.9
Total revenue	55,054,455	100.0	40,177,018	100.0
Contract cost	(38,508,126)	69.9	(33,678,045)	83.8
Other cost	(5,056,122)	9.2	(2,578,132)	6.4
Total cost	(43,564,249)	79.1	(36,256,177)	90.2
Gross Profit	11,490,207	20.9	3,920,841	9.8
Selling, general and administrative expenses	(8,597,294)	15.6	(2,920,424)	7.3
Interest income	386,027	0.7	N/A	N/A
Interest expense	(1,923,939)	3.5	N/A	N/A
Other income (expense), net	1,173,274	2.1	(626,441)	1.6
Net earnings (loss) before taxes	2,528,274	4.6	373,977	0.9
Income taxes	(1,347,930)	2.4	(80,719)	0.2
Net earnings (loss)	$1,180,344	2.1%	$293,258	0.7%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	20
1989	9

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.4	1.5
Quick Ratio	1.1	1.2
Days of Cash	11.9	8.9
Work. Cap. Turnover	16.3	14.8
Profitability Ratios		
Return on Assets	4.4%	1.9%
Return on Equity	11.4%	5.0%
Times Interest Earned	2.3	0.9
Leverage Ratios		
Debt to Equity	1.6	1.7
Revenue to Equity	5.3	6.9
Asset Turnover	2.0	2.5
Fixed Asset Ratio	118.2%	108.7%
Equity to G & A Expenses	1.2	2.0
Underbillings to Equity	10.2%	9.1%
Average Backlog to Equity	4.6	5.8
Average Backlog to Working Capital	14.3	38.5
Average Months in Backlog	10.5	7.0
Efficiency Ratios		
Days in Accounts Receivable	51.5	45.8
Days in Inventory	13.2	10.3
Days in Accounts Payable	41.9	31.0
Operating Cycle	34.7	32.0

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HEAVY AND HIGHWAY CONTRACTORS
FARWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$4,466,335	12.5%	$1,604,031	9.2%
Marketable securities and short term investments	1,291,495	3.6	276,302	1.6
Receivables:				
Contract receivables currently due	9,734,762	27.3	5,407,682	31.1
Retainages on contracts	2,907,323	8.1	1,028,786	5.9
Unbilled work	212,758	0.6	N/A	N/A
Other receivables	837,792	2.3	580,563	3.3
Less allowance for doubtful accounts	(56,504)	0.2	(84,564)	0.5
Total receivables, net	13,636,128	38.2	6,932,965	39.9
Inventories	761,735	2.1	580,567	3.3
Costs and recognized earnings in excess of billings on uncompleted contracts	1,230,713	3.4	566,536	3.3
Investments in construction joint ventures	515,867	1.4	13,172	0.1
Other current assets	446,384	1.3	340,155	2.0
Total current assets	22,348,658	62.6	10,313,729	59.3
Property, plant and equipment	24,583,682	68.9	11,921,785	68.6
Less accumulated depreciation	(15,051,355)	42.2	(5,741,002	33.0
Property, plant and equipment, net	9,532,328	26.7	6,180,782	35.6
Other assets	3,763,226	10.5	887,914	5.1
Intangible assets	30,794	0.1	376	0.0
Total assets	$35,675,005	100.0%	$17,382,800	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long term debt	$1,910,769	5.4%	$512,897	3.0%
Accounts payable				
Trade, including currently due subcontractors	6,217,917	17.4	3,305,285	19.0
Subcontractor retainages	1,300,453	3.6	407,957	2.3
Other	304,580	0.9	350,722	2.0
Total accounts payable	7,822,950	21.9	4,063,045	23.4
Accrued expenses	2,213,367	6.2	759,158	4.4
Billings in excess of costs and recognized earnings on uncompleted contracts	2,575,506	7.2	1,272,796	7.3
Income taxes				
Current	52,022	0.1	100,500	0.6
Deferred	679,950	1.9	95,544	0.5
Total income taxes	731,982	2.1	196,044	1.1
Other current liabilities	79,843	0.2	264,484	1.5
Total current liabilities	15,334,416	43.0	7,068,424	40.7
Long term debt, excluding current portion	5,196,786	14.6	3,485,068	20.1
Deferred income taxes	258,352	0.7	138,883	0.8
Other	286,326	0.8	241,321	1.4
Minority interests	87,320	0.2	98,422	0.6
Total liabilities	21,165,203	59.3	11,042,113	63.5
Net worth				
Stock, par value	1,390,302	3.9	193,548	1.1
Additional paid in capital	1,106,592	3.1	277,929	1.6
Retained earnings	13,059,088	36.6	6,044,760	34.8
Treasury stock	(1,047,681)	2.9	(166,550)	1.0
Total net worth	14,509,801	40.7	6,340,687	36.5
Total liabilities and net worth	$35,675,005	100.0%	$17,382,800	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$47,949,475	96.7%	$38,564,736	97.3%
Other revenue	1,660,077	3.3	1,075,729	2.7
Total revenue	49,609,553	100.0	39,640,465	100.0
Contract cost	(42,299,203)	85.3	(34,228,291)	86.3
Other cost	(2,560,143)	5.2	(1,115,631)	2.8
Total cost	(44,859,346)	90.4	(35,343,922)	89.2
Gross Profit	4,750,207	9.6	4,296,543	10.8
Selling, general and administrative expenses	(2,574,054)	5.2	(3,362,375)	8.5
Interest income	379,037	0.8	N/A	N/A
Interest expense	(283,554)	0.6	N/A	N/A
Other income (expense), net	138,179	0.3	155,074	0.4
Net earnings (loss) before taxes	2,409,814	4.9	1,089,243	2.7
Income taxes	(345,246)	0.7	414,909	1.0
Net earnings (loss)	$2,064,568	4.2%	$1,504,152	3.8%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	22
1989	17

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.5	1.5
Quick Ratio	1.3	1.2
Days of Cash	32.4	14.6
Work Cap. Turnover	7.1	12.2
Profitability Ratios		
Return on Assets	5.8%	8.7%
Return on Equity	14.2%	23.7%
Times Interest Earned	9.5	2.0
Leverage Ratios		
Debt to Equity	1.5	1.7
Revenue to Equity	3.4	6.3
Asset Turnover	1.4	2.3
Fixed Asset Ratio	65.7%	97.5%
Equity to G & A Expenses	5.6	1.9
Underbillings to Equity	9.9%	8.9%
Average Backlog to Equity	3.5	5.1
Average Backlog to Working Capital	7.3	13.2
Average Months in Backlog	12.3	6.6
Efficiency Ratios		
Days in Accounts Receivable	99.0	63.0
Days in Inventory	6.1	5.9
Days in Accounts Payable	62.8	41.4
Operating Cycle	74.7	42.1

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SELECTED SIZE FINANCIAL DATA

Heavy and Highway Contractors

		Annual Volume				
	All Companies	Less than $10 Million	$10-25 Million	$25-50 Million	$50-100 Million	Over $100 Million
Number of Companies	132	30	34	29	21	18
Assets	$26,822	5,456	9,447	18,431	32,210	98,900
Liabilities	15,142	3,034	4,899	7,648	18,392	63,113
Net Worth	11,680	2,422	4,549	10,783	13,818	35,787
% Net Worth to Assets	43.5	44.4	48.1	58.5	42.9	36.2
Revenues	47,899	5,608	16,418	35,381	64,609	155,685
Gross Profit	7,475	1,022	2,638	4,213	10,173	20,575
% Gross Profit	15.6	18.2	16.1	11.9	15.7	13.2
G&A Expenses	5,769	902	2,340	2,871	7,921	15,575
% to Revenue	12.0	16.1	14.2	8.1	12.3	10.0
Net Income	1,035	227	296	1,253	1,205	2,528
% Net Income	2.2	4.1	1.8	3.5	1.9	1.6
Current Ratio	1.7	1.6	1.7	2.1	1.5	1.7
Return on Assets (%)	3.9	4.2	3.1	6.8	3.7	2.6
Return on Equity (%)	8.9	9.4	6.5	11.6	8.7	7.1

Note: All $ amounts are in thousands

Discussion and Analysis

Of the 132 companies reporting financial data in the survey, each classification of size has a percentage of net worth to assets in excess of 40%, except for the very large companies. Gross profit percentage is highest for the companies with an annual contract volume of less than $10 million (18.2%) and lowest for those companies with $25 - 50 million in annual revenue (11.9%). G&A expense percentage is greatest in the less than $10 million category (16.1%) and lowest in the $25 - 50 million category (8.1%). The less than $10 million category leads the other categories with net income percentage of 4.1%. This percentage shows remarkable improvement over the 1989 percentage of 1.5%. The $25 - 50 million category also showed a small improvement from 1989. The $25 - 50 million category showed a small increase of .8 percent in their return on assets from 1989 and is the highest percentage of all categories in 1990. The over $100 million category had an extremely large decrease in return on equity of 19.8% from 1989 to 1990, however the percentage is still relatively in line with the all companies composite (8.9%).

The percentage of fixed assets to total assets for each category ranges from 24.6% in the $50 -100 million category to 34.3% in the over $100 million category. The composite amount of revenue generated for each dollar of investment in fixed assets ranges from a low of $3.20 in the less than $10 million category to a high of $7.90 in the $50 - 100 million category.

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HEAVY AND HIGHWAY CONTRACTORS
LESS THAN $10 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$428,041	11.5%	$529,076	16.3%
Marketable securities and short-term investments	165,339	3.0	45,502	1.4
Receivables:				
Contract receivables currently due	1,229,315	22.5	1,113,557	34.4
Retainages on contracts	486,425	8.9	300,383	9.3
Unbilled work	40,528	0.7	N/A	N/A
Other receivables	317,815	5.8	179,514	5.5
Less allowance for doubtful accounts	(14,373)	0.3	(4,099)	0.1
Total receivables, net	2,059,709	37.8	1,589,356	49.1
Inventories	248,818	4.6	113,853	3.5
Costs and recognized earnings in excess of billings on uncompleted contracts	188,565	3.5	91,374	2.8
Investments in construction joint ventures	12,327	0.2	12,099	0.4
Other current assets	77,713	1.4	114,733	3.5
Total current assets	3,378,612	61.9	2,495,994	77.1
Property, plant and equipment	3,191,497	58.5	1,728,445	53.4
Less accumulated depreciation	(1,473,795)	27.0	(1,052,161)	32.5
Property, plant and equipment, net	1,717,702	31.5	676,284	20.9
Other assets	245,967	4.5	63,570	2.0
Intangible assets	113,522	2.1	571	0.0
Total assets	$5,455,803	100.0%	$3,236,418	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$170,242	3.1%	$257,957	8.0%
Accounts payable				
Trade, including currently due subcontractors	848,305	15.5	694,884	21.5
Subcontractor retainages	131,936	2.4	48,299	1.5
Other	94,672	1.7	32,701	1.0
Total accounts payable	1,074,913	19.7	775,883	24.0
Accrued expenses	158,131	2.9	122,146	3.8
Billings in excess of costs and recognized earnings on uncompleted contracts	425,763	7.8	306,255	9.5
Income taxes				
Current	22,963	0.4	13,634	0.4
Deferred	66,475	1.2	45,280	1.4
Total income taxes	89,439	1.6	58,914	1.8
Other current liabilities	133,445	2.4	57,948	1.8
Total current liabilities	2,051,933	37.6	1,579,085	48.8
Long-term debt, excluding current portion	419,289	7.7	580,986	18.0
Deferred income taxes	168,931	3.1	26,381	0.8
Other	368,069	6.7	8,818	0.3
Minority interests	25,868	0.5	2,549	0.1
Total liabilities	3,034,087	55.6	2,197,817	67.9
Net worth				
Stock, par value	103,558	1.9	116,512	3.6
Additional paid-in capital	712,536	13.1	86,998	2.7
Retained earnings	1,694,332	31.1	837,787	25.9
Treasury stock	(88,709)	1.6	(2,696)	0.1
Total net worth	2,421,717	44.4	1,038,602	32.1
Total liabilities and net worth	$5,455,803	100.0%	$3,236,418	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$5,490,243	97.9%	$6,652,677	97.6%
Other revenue	118,128	2.1	161,417	2.4
Total revenue	5,608,371	100.0	6,814,094	100.0
Contract cost	(4,526,920)	80.7	(5,925,295)	87.0
Other cost	(59,340)	1.1	(145,394)	2.1
Total cost	(4,586,260)	81.8	(6,070,688)	89.1
Gross Profit	1,022,111	18.2	743,405	10.9
Selling, general and administrative expenses	(901,785)	16.1	(504,868)	7.4
Interest income	57,214	1.0	N/A	N/A
Interest expense	(74,581)	1.3	N/A	N/A
Other income (expense), net	143,182	2.6	(88,274)	1.3
Net earnings (loss) before taxes	246,140	4.4	150,264	2.2
Income taxes	(18,687)	0.3	(48,990)	0.7
Net earnings (loss)	$227,453	4.1%	$101,273	1.5%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	30
1989	12

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.6	1.6
Quick Ratio	1.4	1.4
Days of Cash	40.2	28.0
Work. Cap. Turnover	4.2	7.4
Profitability Ratios		
Return on Assets	4.2%	3.1%
Return on Equity	9.4%	9.8%
Times Interest Earned	4.3	2.1
Leverage Ratios		
Debt to Equity	1.3	2.1
Revenue to Equity	2.3	6.6
Asset Turnover	1.0	2.1
Fixed Asset Ratio	70.9%	65.1%
Equity to G & A Expenses	2.7	2.1
Underbillings to Equity	9.5%	8.0%
Average Backlog to Equity	6.6	4.3
Average Backlog to Working Capital	12.0	5.8
Average Months in Backlog	34.2	7.0
Efficiency Ratios		
Days in Accounts Receivable	132.2	84.0
Days in Inventory	19.5	6.8
Days in Accounts Payable	84.4	46.0
Operating Cycle	107.6	72.7

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HEAVY AND HIGHWAY CONTRACTORS
$10 - 25 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$1,299,622	13.8%	$1,023,174	15.6%
Marketable securities and short-term investments	1,186,791	12.6	10,381	0.2
Receivables:				
Contract receivables currently due	2,404,166	25.4	2,264,079	34.5
Retainages on contracts	506,890	5.4	445,624	6.8
Unbilled work	84,333	0.9	N/A	N/A
Other receivables	152,165	1.6	90,519	1.4
Less allowance for doubtful accounts	(13,047)	0.1	(6,871)	0.1
Total receivables, net	3,134,507	33.2	2,793,352	42.6
Inventories	103,121	1.1	175,065	2.7
Costs and recognized earnings in excess of billings on uncompleted contracts	747,615	7.9	439,634	6.7
Investments in construction joint ventures	31,220	0.3	12,096	0.2
Other current assets	123,978	1.3	180,615	2.8
Total current assets	6,627,155	70.1	4,634,318	70.6
Property, plant and equipment	6,550,101	69.3	4,101,908	62.5
Less accumulated depreciation	(4,140,314)	43.8	(2,380,940)	36.3
Property, plant and equipment, net	2,409,787	25.5	1,720,967	26.2
Other assets	388,227	4.1	205,789	3.1
Intangible assets	22,269	0.2	296	0.0
Total assets	$9,447,438	100.0%	$6,561,370	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$457,823	4.8%	$400,967	6.1%
Accounts payable				
Trade, including currently due subcontractors	1,564,953	16.6	1,151,298	17.5
Subcontractor retainages	111,305	1.2	92,005	1.4
Other	258,228	2.7	54,861	0.8
Total accounts payable	1,934,486	20.5	1,298,164	19.8
Accrued expenses	247,353	2.6	237,146	3.6
Billings in excess of costs and recognized earnings on uncompleted contracts	656,731	7.0	396,089	6.0
Income taxes				
Current	63,227	0.7	96,212	1.5
Deferred	123,857	1.3	95,044	1.4
Total income taxes	187,085	2.0	191,256	2.9
Other current liabilities	395,090	4.2	220,375	3.4
Total current liabilities	3,878,567	41.1	2,743,997	41.8
Long-term debt, excluding current portion	923,520	9.8	995,547	15.2
Deferred income taxes	50,849	0.5	73,480	1.1
Other	28,207	0.3	158,937	2.4
Minority interests	17,439	0.2	1,542	0.0
Total liabilities	4,898,583	51.9	3,973,503	60.6
Net worth				
Stock, par value	437,389	4.6	167,279	2.5
Additional paid-in capital	302,648	3.2	191,361	2.9
Retained earnings	4,329,013	45.8	2,398,562	36.5
Treasury stock	(520,195)	5.5	(167,334)	2.6
Total net worth	4,548,855	48.1	2,587,867	39.4
Total liabilities and net worth	$9,447,438	100.0%	$6,561,370	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$15,588,340	94.9%	$15,415,113	97.3%
Other revenue	830,023	5.1	428,368	2.7
Total revenue	16,418,363	100.0	15,843,481	100.0
Contract cost	(13,041,584)	79.4	(13,046,068)	82.4
Other cost	(739,257)	4.5	(465,714)	2.9
Total cost	(13,780,840)	83.9	(13,513,781)	85.3
Gross Profit	2,637,523	16.1	2,329,699	14.7
Selling, general and administrative expenses	(2,339,519)	14.2	(1,533,214)	9.7
Interest income	168,881	1.0	N/A	N/A
Interest expense	(174,476)	1.1	N/A	N/A
Other income (expense), net	105,755	0.6	(13,151)	0.1
Net earnings (loss) before taxes	398,163	2.4	783,334	4.9
Income taxes	(102,577)	0.6	(179,973)	1.1
Net earnings (loss)	$295,586	1.8%	$603,361	3.8%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	34
1989	23

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.7	1.7
Quick Ratio	1.4	1.4
Days of Cash	28.5	23.2
Work. Cap. Turnover	6.0	8.4
Profitability Ratios		
Return on Assets	3.1%	9.2%
Return on Equity	6.5%	23.3%
Times Interest Earned	3.3	30.3
Leverage Ratios		
Debt to Equity	1.1	1.5
Revenue to Equity	3.6	6.1
Asset Turnover	1.7	2.4
Fixed Asset Ratio	53.0%	66.5%
Equity to G & A Expenses	1.9	1.7
Underbillings to Equity	18.3%	17.0%
Average Backlog to Equity	2.6	4.2
Average Backlog to Working Capital	4.3	5.6
Average Months in Backlog	6.6	6.8
Efficiency Ratios		
Days in Accounts Receivable	68.7	63.5
Days in Inventory	2.7	4.7
Days in Accounts Payable	50.5	34.6
Operating Cycle	49.4	56.8

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HEAVY AND HIGHWAY CONTRACTORS
$25 - 50 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$2,373,586	12.9%	$2,243,548	12.2%
Marketable securities and short-term investments	677,435	3.7	1,289,265	7.0
Receivables:				
Contract receivables currently due	4,487,117	24.3	4,146,980	22.5
Retainages on contracts	1,363,816	7.4	1,097,824	6.0
Unbilled work	146,820	0.8	N/A	N/A
Other receivables	492,966	2.7	783,273	4.2
Less allowance for doubtful accounts	(47,505)	0.3	(20,582)	0.1
Total receivables, net	6,445,214	35.0	6,007,495	32.6
Inventories	284,135	1.5	555,227	3.0
Costs and recognized earnings in excess of billings on uncompleted contracts	551,002	3.0	752,188	4.1
Investments in construction joint ventures	95,919	0.5	68,081	0.4
Other current assets	479,006	2.6	322,382	1.7
Total current assets	10,906,299	59.2	11,238,184	61.0
Property, plant and equipment	14,930,941	81.0	12,615,076	68.4
Less accumulated depreciation	(8,894,326)	48.3	(7,884,337)	42.8
Property, plant and equipment, net	6,036,615	32.8	4,730,740	25.7
Other assets	1,211,429	6.6	879,249	4.8
Intangible assets	276,640	1.5	24,139	0.1
Total assets	$18,430,983	100.0%	$16,872,311	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$660,049	3.6%	$718,471	4.3%
Accounts payable				
Trade, including currently due subcontractors	1,968,001	10.7	3,132,698	18.6
Subcontractor retainages	253,064	1.4	320,895	1.9
Other	263,175	1.4	52,206	0.3
Total accounts payable	2,484,240	13.5	3,505,799	20.8
Accrued expenses	692,422	3.8	762,094	4.5
Billings in excess of costs and recognized earnings on uncompleted contracts	753,105	4.1	956,243	5.7
Income taxes				
Current	85,435	0.5	132,165	0.8
Deferred	127,576	0.7	240,921	1.4
Total income taxes	213,031	1.2	373,088	2.2
Other current liabilities	500,753	2.7	204,039	1.2
Total current liabilities	5,303,600	28.8	6,519,731	38.6
Long-term debt, excluding current portion	1,933,428	10.5	2,292,203	13.6
Deferred income taxes	192,541	1.0	256,186	1.5
Other	215,447	1.2	191,416	1.1
Minority interests	3,075	0.0	14,305	0.1
Total liabilities	7,648,090	41.5	9,273,841	55.0
Net worth				
Stock, par value	436,629	2.4	294,687	1.7
Additional paid-in capital	677,222	3.7	222,323	1.3
Retained earnings	10,099,545	54.8	7,097,229	42.1
Treasury stock	(430,504)	2.3	(15,769)	0.1
Total net worth	10,782,892	58.5	7,598,470	45.0
Total liabilities and net worth	$18,430,983	100.0%	$16,872,311	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$35,256,689	99.6%	$32,963,264	96.3%
Other revenue	124,766	0.4	1,268,002	3.7
Total revenue	35,381,436	100.0	34,231,265	100.0
Contract cost	(30,631,932)	86.6	(28,620,382)	83.6
Other cost	(536,968)	1.5	(1,261,244)	3.7
Total cost	(31,168,900)	88.1	(29,881,627)	87.3
Gross Profit	4,212,536	11.9	4,349,639	12.7
Selling, general and administrative expenses	(2,871,312)	8.1	(3,126,046)	9.1
Interest income	282,431	0.8	N/A	N/A
Interest expense	(332,042)	0.9	N/A	N/A
Other income (expense), net	385,211	1.1	252,292	0.7
Net earnings (loss)-before taxes	1,676,824	4.7	1,475,884	4.3
Income taxes	(423,928)	1.2	(455,388)	1.3
Net earnings (loss)	$1,252,896	3.5%	$1,020,496	3.0%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	29
1989	19

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	2.1	1.7
Quick Ratio	1.8	1.5
Days of Cash	24.2	23.6
Work. Cap. Turnover	6.3	7.3
Profitability Ratios		
Return on Assets	6.9%	6.0%
Return on Equity	11.6%	13.4%
Times Interest Earned	6.1	11.7
Leverage Ratios		
Debt to Equity	0.7	1.2
Revenue to Equity	3.3	4.5
Asset Turnover	1.9	2.0
Fixed Asset Ratio	56.0%	62.3%
Equity to G & A Expenses	3.8	2.4
Underbillings to Equity	6.9%	9.9%
Average Backlog to Equity	2.3	4.2
Average Backlog to Working Capital	4.5	18.2
Average Months in Backlog	8.5	7.7
Efficiency Ratios		
Days in Accounts Receivable	65.6	63.2
Days in Inventory	3.3	6.7
Days in Accounts Payable	28.7	42.2
Operating Cycle	64.3	51.2

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HEAVY AND HIGHWAY CONTRACTORS
$50 - 100 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$3,081,228	9.6%	$3,456,115	10.9%
Marketable securities and short-term investments	1,488,184	4.6	949,003	3.0
Receivables:				
Contract receivables currently due	8,637,664	26.8	9,474,402	29.9
Retainages on contracts	1,739,094	5.4	1,320,025	4.2
Unbilled work	118,414	0.4	N/A	N/A
Other receivables	490,227	1.5	783,308	2.5
Less allowance for doubtful accounts	(54,213)	0.2	(75,138)	0.2
Total receivables, net	10,931,186	33.9	11,502,597	36.3
Inventories	670,364	2.1	879,617	2.8
Costs and recognized earnings in excess of billings on uncompleted contracts	1,870,086	5.8	2,272,064	7.2
Investments in construction joint ventures	500,267	1.6	149,159	0.5
Other current assets	1,234,161	3.8	467,826	1.5
Total current assets	19,775,477	61.4	19,676,382	62.1
Property, plant and equipment	22,286,324	69.2	23,661,111	74.6
Less accumulated depreciation	(14,348,858)	44.5	(12,956,052)	40.9
Property, plant and equipment, net	7,937,466	24.6	10,705,059	33.8
Other assets	4,497,030	14.0	1,145,639	3.6
Intangible assets	0	0.0	180,049	0.6
Total assets	$32,209,972	100.0%	$31,707,129	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$2,230,395	6.9%	$1,332,544	4.2%
Accounts payable				
Trade, including currently due subcontractors	4,638,477	14.4	4,342,414	13.7
Subcontractor retainages	1,022,191	3.2	435,906	1.4
Other	127,284	0.4	394,850	1.2
Total accounts payable	5,787,951	18.0	5,173,169	16.3
Accrued expenses	1,564,045	4.9	1,538,973	4.9
Billings in excess of costs and recognized earnings on uncompleted contracts	2,452,607	7.6	2,298,532	7.2
Income taxes				
Current	171,621	0.5	180,441	0.6
Deferred	178,658	0.6	272,976	0.9
Total income taxes	350,279	1.1	453,417	1.4
Other current liabilities	481,885	1.5	689,822	2.2
Total current liabilities	12,866,973	39.9	11,484,457	36.2
Long-term debt, excluding current portion	4,675,064	14.5	6,406,087	20.2
Deferred income taxes	607,096	1.9	418,744	1.3
Other	186,327	0.6	1,162,174	3.7
Minority interests	46,950	0.1	17,853	0.1
Total liabilities	18,392,410	57.1	19,489,315	61.5
Net worth				
Stock, par value	500,490	1.6	1,140,127	3.6
Additional paid in capital	1,593,968	4.9	1,370,032	4.3
Retained earnings	12,530,274	38.9	9,707,656	30.6
Treasury stock	(807,200)	2.5	0	0.0
Total net worth	13,817,562	42.9	12,217,815	38.5
Total liabilities and net worth	$32,209,972	100.0%	$31,707,129	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$62,681,486	97.0%	$60,568,605	96.4%
Other revenue	1,927,763	3.0	2,261,445	3.6
Total revenue	64,609,249	100.0	62,830,050	100.0
Contract cost	(52,006,205)	80.5	(53,510,977)	85.2
Other cost	(2,430,512)	3.8	(2,170,273)	3.5
Total cost	(54,436,718)	84.3	(55,681,249)	88.6
Gross Profit	10,172,532	15.7	7,148,801	11.4
Selling, general and administrative expenses	(7,920,523)	12.3	(4,834,795)	7.7
Interest income	840,047	1.3	N/A	N/A
Interest expense	(1,133,827)	1.8	N/A	N/A
Other income (expense), net	(156,407)	0.2	(562,651)	0.9
Net earnings (loss) before taxes	1,801,822	2.8	1,751,355	2.8
Income taxes	(597,240)	0.9	212,678	0.3
Net earnings (loss)	$1,204,582	1.9%	$1,964,033	3.1%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	21
1989	15

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.5	1.7
Quick Ratio	1.2	1.4
Days of Cash	17.2	19.8
Work Cap Turnover	9.4	7.7
Profitability Ratios		
Return on Assets	3.7%	6.2%
Return on Equity	8.7%	16.1%
Times Interest Earned	2.6	3.9
Leverage Ratios		
Debt to Equity	1.3	1.6
Revenue to Equity	4.7	5.1
Asset Turnover	2.0	2.0
Fixed Asset Ratio	57.4%	67.6%
Equity to G & A Expenses	1.7	2.5
Underbillings to Equity	14.4%	18.8%
Average Backlog to Equity	3.0	10.1
Average Backlog to Working Capital	5.9	8.7
Average Months in Backlog	7.6	8.2
Efficiency Ratios		
Days in Accounts Receivable	60.9	65.9
Days in Inventory	4.4	5.7
Days in Accounts Payable	38.3	33.4
Operating Cycle	44.2	58.0

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HEAVY AND HIGHWAY CONTRACTORS
OVER $100 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$7,441,994	7.5%	$4,058,345	6.1%
Marketable securities and short term inves	4,180,691	4.2	180,188	0.3
Receivables:				
Contract receivables currently due	22,641,141	22.9	23,835,004	35.8
Retainages on contracts	5,014,055	5.1	4,048,348	6.1
Unbilled work	2,470,919	2.5	N/A	N/A
Other receivables	5,842,851	5.9	545,433	0.8
Less allowance for doubtful accounts	(660,268)	0.7	(1,004,065)	1.5
Total receivables, net	35,308,698	35.7	27,422,717	41.2
Inventories	8,123,669	8.2	2,025,983	3.0
Costs and recognized earnings in excess of billings on uncompleted contracts	3,288,496	3.3	5,103,743	7.7
Investments in construction joint ventures	800,695	0.8	550,742	0.8
Other current assets	1,532,896	1.5	1,220,901	1.8
Total current assets	60,677,138	61.4	40,562,629	61.0
Property, plant and equipment	70,439,978	71.2	50,972,332	76.6
Less accumulated depreciation	(36,498,724)	36.9	(28,425,127)	42.7
Property, plant and equipment, net	33,941,254	34.3	22,547,204	33.9
Other assets	3,436,147	3.5	3,378,062	5.1
Intangible assets	845,143	0.9	25,636	0.0
Total assets	$98,899,682	100.0%	$66,513,532	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long term debt	$4,136,728	4.2%	$2,978,520	4.5%
Accounts payable				
Trade, including currently due subcontractors	14,242,078	14.4	9,760,378	14.7
Subcontractor retainages	1,508,854	1.5	544,116	0.8
Other	565,265	0.6	17,506	0.0
Total accounts payable	16,316,197	16.5	10,322,000	15.5
Accrued expenses	7,125,143	7.2	6,111,402	9.2
Billings in excess of costs and recognized earnings on uncompleted contracts	6,056,908	6.1	6,809,386	10.2
Income taxes				
Current	455,572	0.5	556,248	0.8
Deferred	1,312,431	1.3	704,687	1.1
Total income taxes	1,778,004	1.8	1,262,936	1.9
Other current liabilities	770,859	0.8	3,469,497	5.2
Total current liabilities	36,183,838	36.6	30,953,741	46.5
Long term debt, excluding current portion	20,046,432	20.3	8,915,635	13.4
Deferred income taxes	1,169,733	1.2	2,074,056	3.1
Other	5,419,385	5.5	6,560,141	9.9
Minority interests	293,447	0.3	592,325	0.9
Total liabilities	63,112,834	63.8	49,095,898	73.8
Net worth				
Stock, par value	3,827,293	3.9	254,856	0.4
Additional paid in capital	5,130,246	5.2	1,912,537	2.9
Retained earnings	32,124,815	32.5	16,522,486	24.8
Treasury stock	(5,295,505)	5.4	(1,272,258)	1.9
Total net worth	35,786,848	36.2	17,417,633	26.2
Total liabilities and net worth	$98,899,682	100.0%	$66,513,532	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$146,627,464	94.2%	$169,931,145	98.7%
Other revenue	9,058,001	5.8	2,245,010	1.3
Total revenue	155,685,465	100.0	172,176,156	100.0
Contract cost	(128,882,995)	82.8	(148,649,217)	86.3
Other cost	(6,227,401)	4.0	(1,075,750)	0.6
Total cost	(135,110,396)	86.8	(149,724,967)	87.0
Gross Profit	20,575,068	13.2	22,451,188	13.0
Selling, general and administrative expenses	(15,575,293)	10.0	(14,062,373)	8.2
Interest income	1,159,280	0.7	N/A	N/A
Interest expense	(2,735,868)	1.8	N/A	N/A
Other income (expense), net	1,359,027	0.9	(1,521,637)	0.9
Net earnings (loss) before taxes	4,782,214	3.1	6,867,178	4.0
Income taxes	(2,254,251)	1.4	(2,187,892)	1.3
Net earnings (loss)	$2,527,963	1.6%	$4,679,286	2.7%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	18
1989	8

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.7	1.3
Quick Ratio	1.3	1.0
Days of Cash	17.2	8.5
Work Cap. Turnover	6.4	17.9
Profitability Ratios		
Return on Assets	2.6%	7.0%
Return on Equity	7.1%	26.9%
Times Interest Earned	2.7	7.9
Leverage Ratios		
Debt to Equity	1.8	2.8
Revenue to Equity	4.4	9.9
Asset Turnover	1.6	2.6
Fixed Asset Ratio	94.8%	129.5%
Equity to G & A Expenses	2.3	1.2
Underbillings to Equity	16.1%	29.3%
Average Backlog to Equity	4.4	7.4
Average Backlog to Working Capital	6.4	22.4
Average Months in Backlog	12.1	7.8
Efficiency Ratios		
Days in Accounts Receivable	61.6	57.3
Days in Inventory	21.6	4.9
Days in Accounts Payable	43.5	24.8
Operating Cycle	77.0	45.9

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SINGLE FAMILY AND RESIDENTIAL CONTRACTORS

SINGLE FAMILY AND RESIDENTIAL CONTRACTORS

Foreword

Of the 795 survey respondents, only 45 or 6% represented Single Family and Residential contractors. This section of the survey includes charts, tables, and financial data relating to these 45 respondents. Because the total population of companies is small, the survey data and related discussion and analyses may not be reflective of the entire segment of the industry.

TABLE OF CONTENTS PAGE

CORPORATE PROFILE OF SINGLE FAMILY AND RESIDENTIAL CONTRACTORS

Legal Form of Business 120
Ownership of Business 120
Type of Contractor 120
Role of Contractor 121
Union/Open Shop Contractor 121
Location of Work 121
Source of Work 122
Longevity 122
Employee Benefits 122
Bonded Work 126
Self-Insurance 125
Types of Retainage 125
Cash Management 126
Substance Abuse Testing 127
Other Characteristics 128
Opinions 129

ACCOUNTING POLICIES AND METHODS

Contract Revenue Recognition Policies 130
Investments in Joint Ventures 132
Depreciation Methods 132
Inventory Valuation Methods 132

FINANCIAL DATA

Selected Financial Data 133
Composite Financial Data 134
Selected Regional Financial Data 135
Regional Financial Data 136
Selected Size Financial Data 141
Size Financial Data 142

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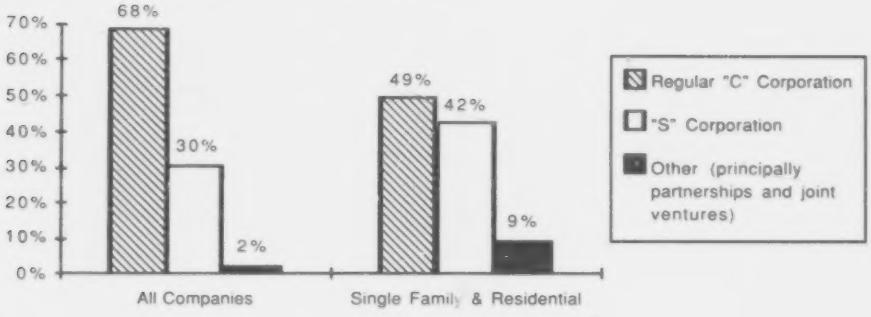
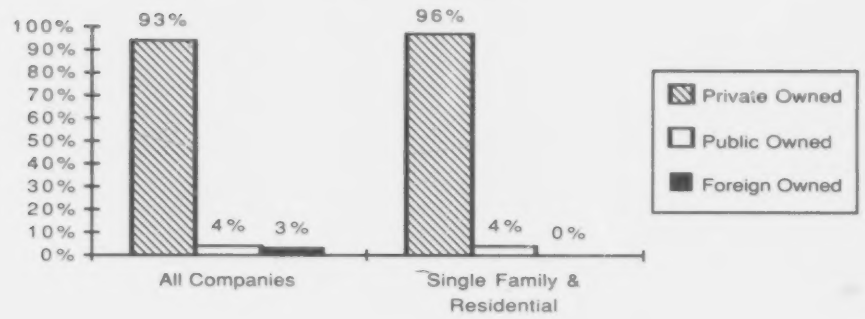
CORPORATE PROFILE

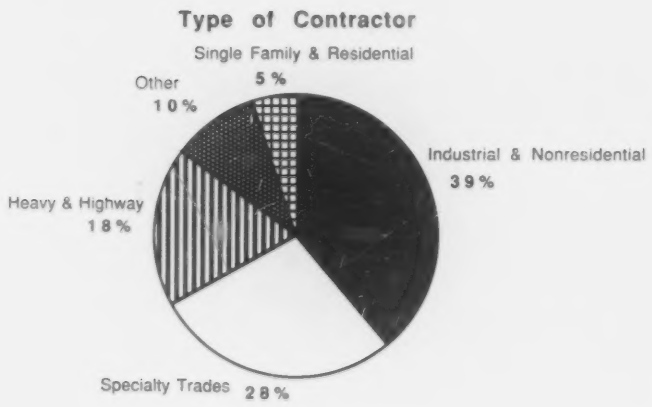
Legal Form of Business



Ownership of Business



Type of Contractor



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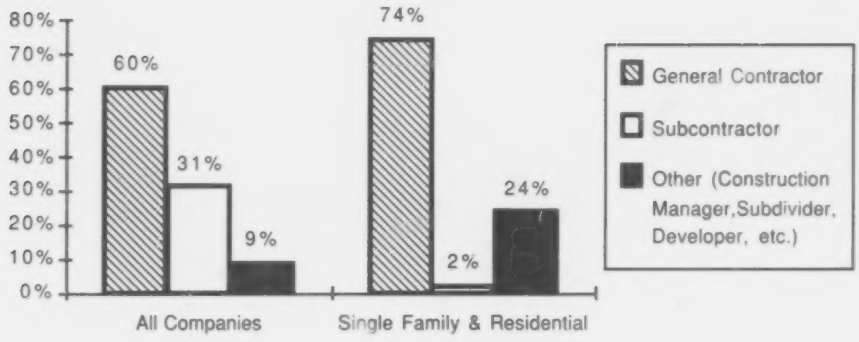
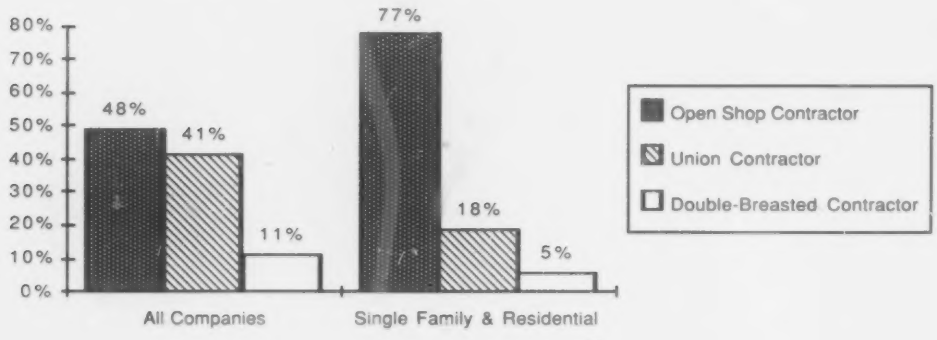
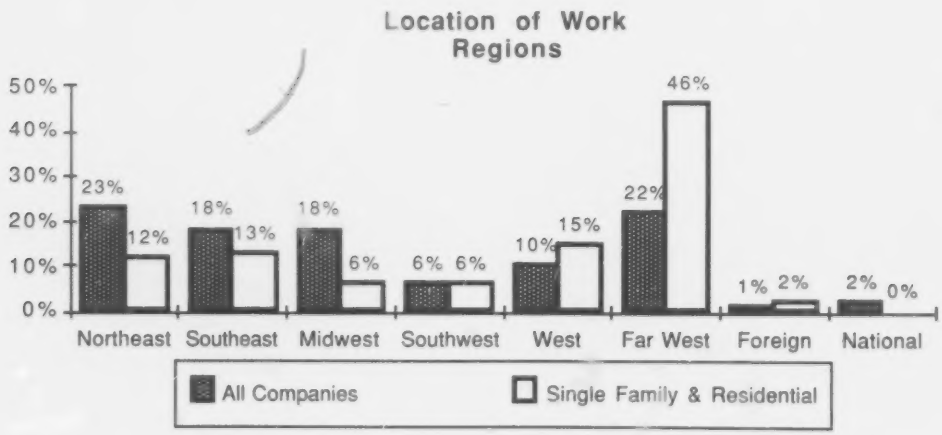
Role of Contractor



Union/Open Shop Contractors



Location of Work Regions



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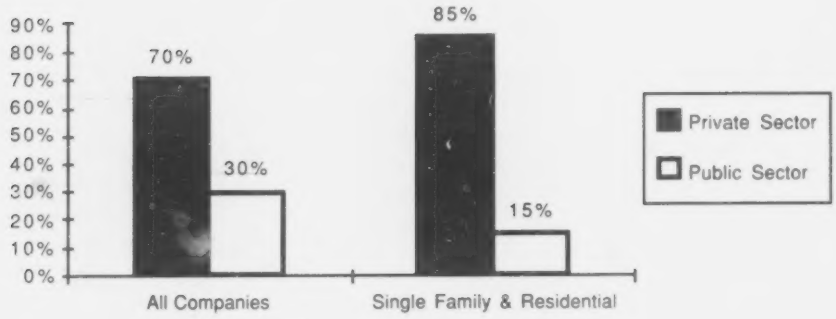
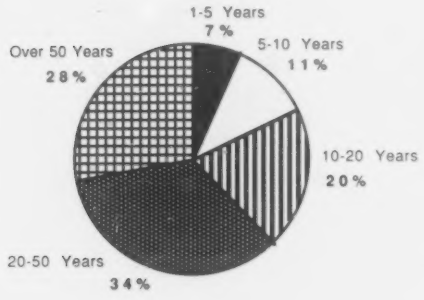
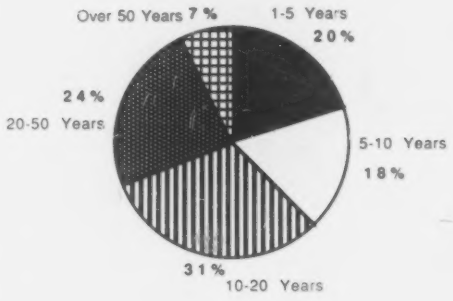
Source of Work



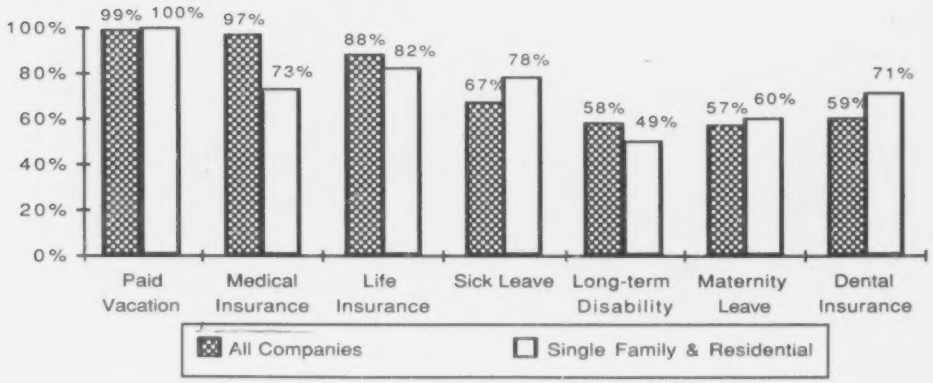
Longevity of Business
All Companies



Longevity of Business
Single Family & Residential



Most Common Employee Benefits
(Percentage of Salaried Employees Having Benefit)



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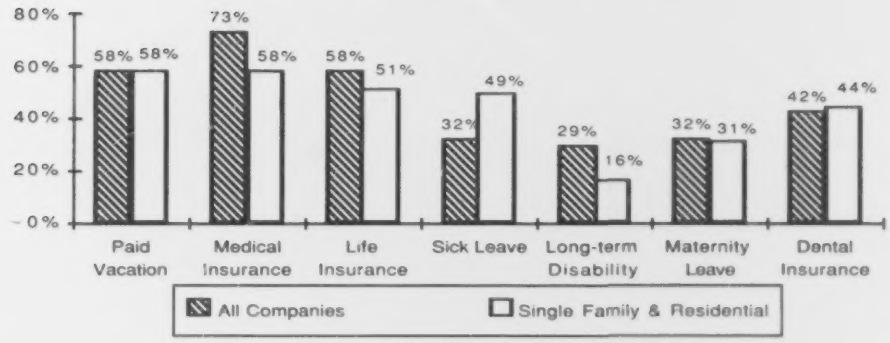
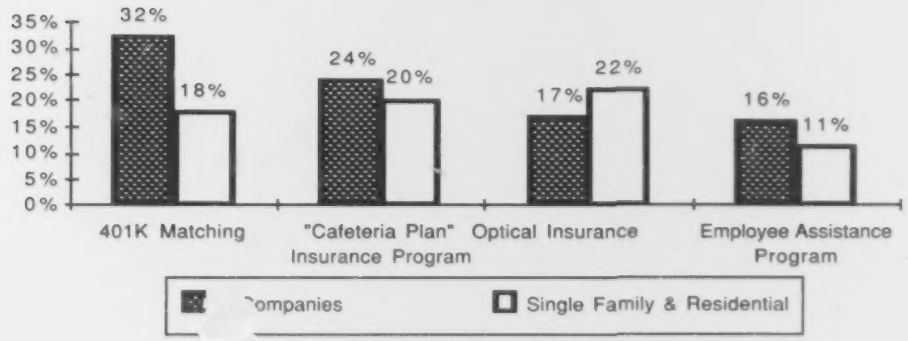
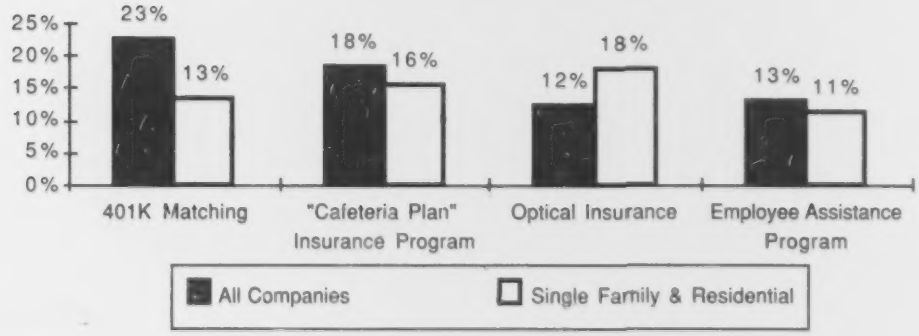
Most Common Employee Benefits
(Percentage of Hourly Employees Having Benefit)



Least Common Employee Benefits
(Percentage of Salaried Employees Having Benefit)



Least Common Employee Benefits
(Percentage of Hourly Employees Having Benefit)



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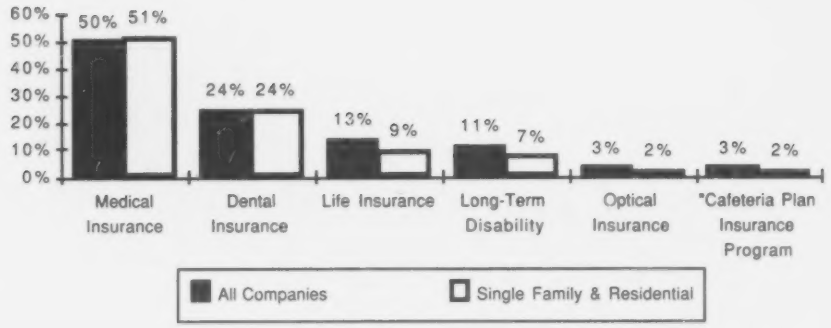
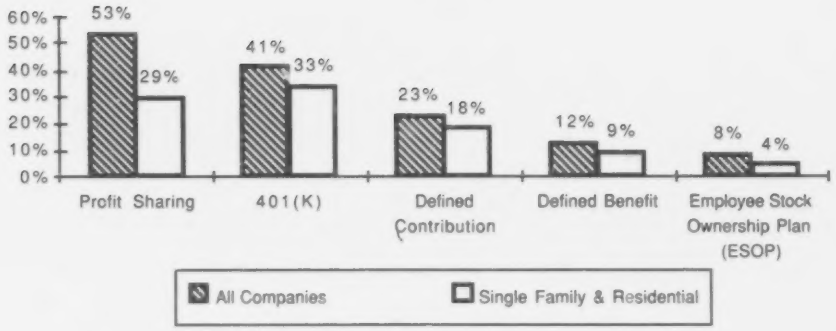
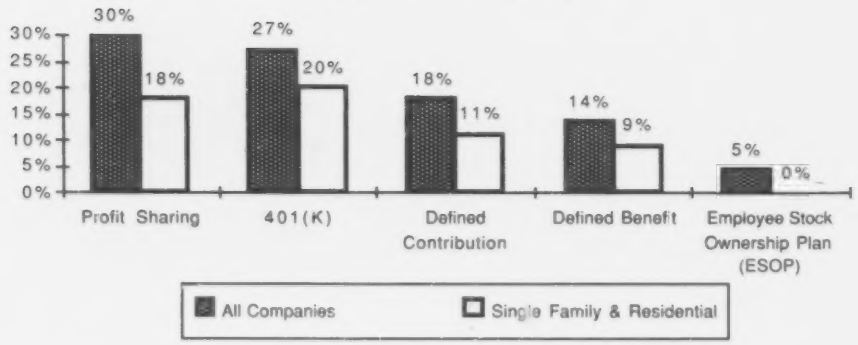
Employee Pays a Portion of Benefits



Employee Benefit Plans (Salaried Employees)



Employee Benefit Plans (Hourly Employees)



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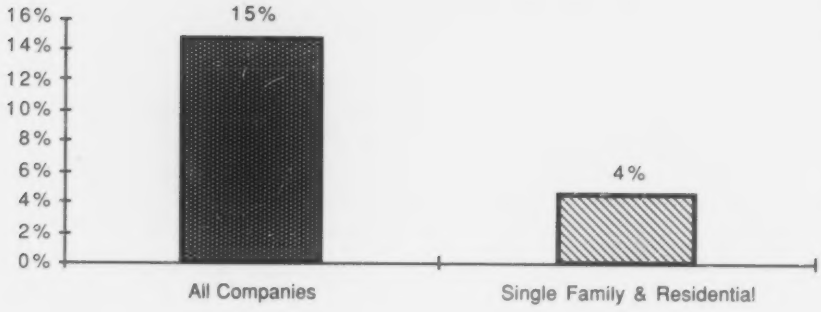
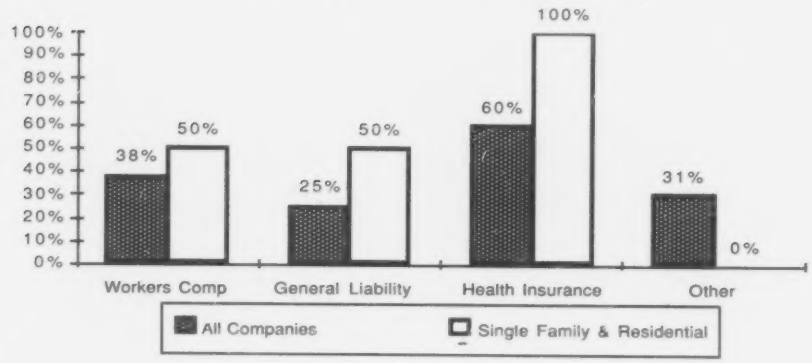
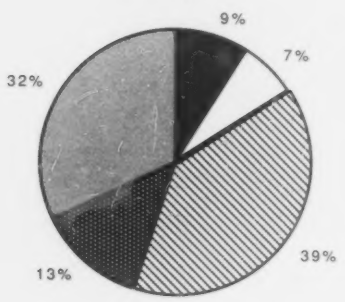
Companies which are Self-Insured

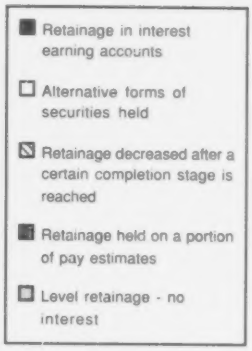


Areas of Self-Insurance
(For Companies which are Self-Insured)

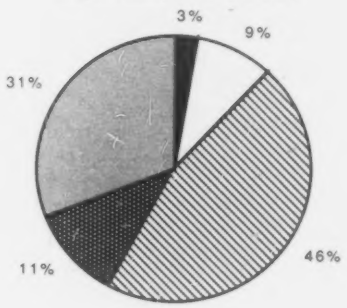


Types of Contract Retainage
All Companies




Retainage in interest earning accounts
Alternative forms of securities held
Retainage decreased after a certain completion stage is reached
Retainage held on a portion of pay estimates
Level retainage - no interest

Types of Contract Retainage
Single Family & Residential



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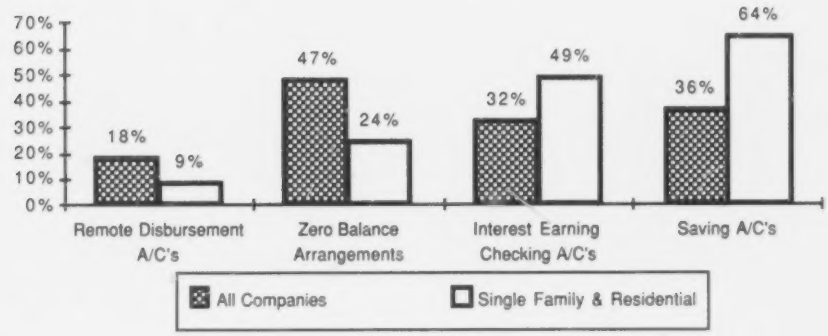
Look-back Method of Interest Computation for Completed Long-term Contracts

	All Companies	Single Family & Residential
Average man hours incurred complying with the rule	40	12
Average additional outside tax consulting fees paid	$1,982	$2,065
Average amount to (from) IRS reported on Form 8697	$4,577	$2,545

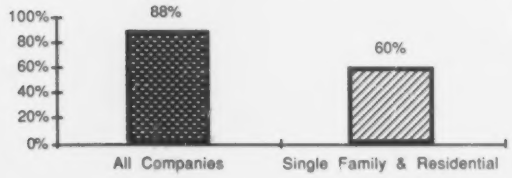
Cash Management



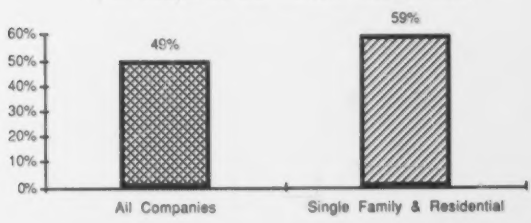
Bonuses

Applicable to:	Bonus Determined by: Discretionary	Goal Attainment	Formula	Other
Corporate Executives	76%	7%	15%	2%
Project Managers	67%	9%	24%	0%
Project Superintendent	63%	12%	25%	0%
Estimators	72%	6%	22%	0%

Percentage of Companies that Perform Bonded Work



Percentage of Contract Revenue that is Bonded (For Companies that Perform Bonded Work)



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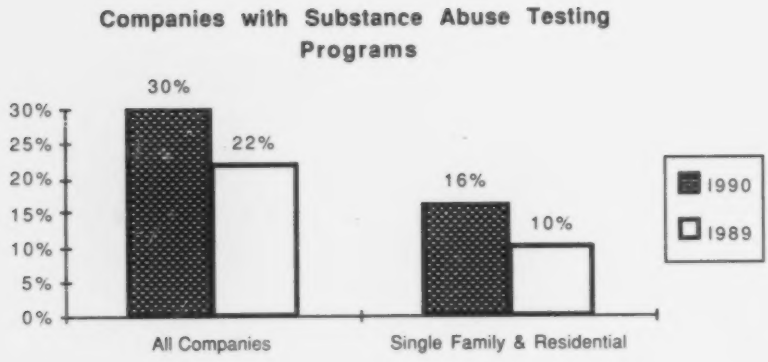

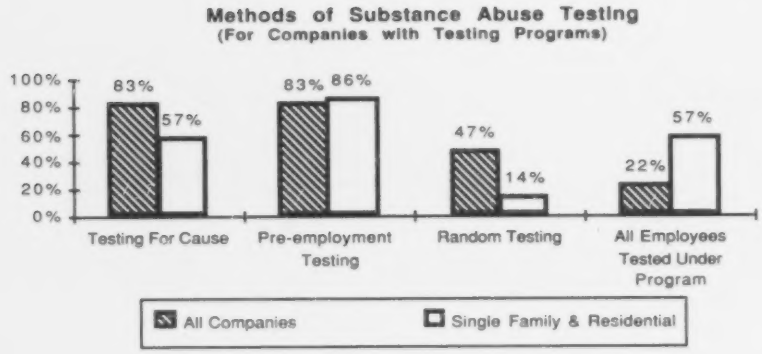

STAFFING

	Weighted Average Number of Employees
Corporate Executives	3
Construction Management	7
Construction Field Employees	57
Engineering and estimating	3
Accounting and Finance	6
Data Processing	1
Human Resources	0
Legal	0
Maintenance and Repair Shop	2
Marketing and Business Development	3
Internal Audit	0
All Others	26
Total employees	108

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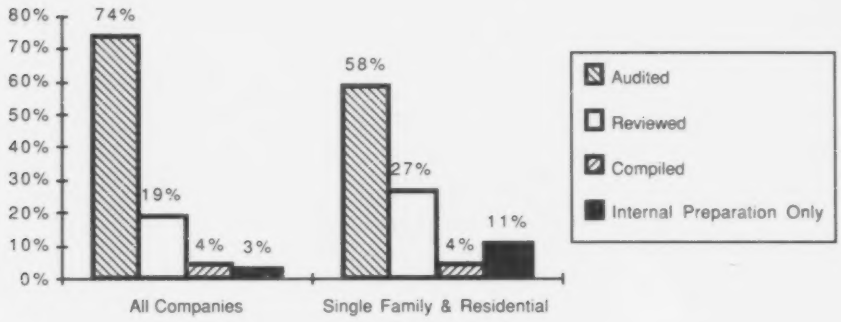
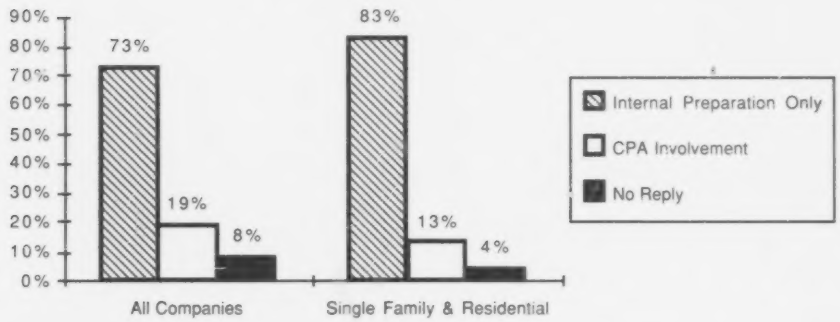
CORPORATE FINANCIAL STATEMENTS

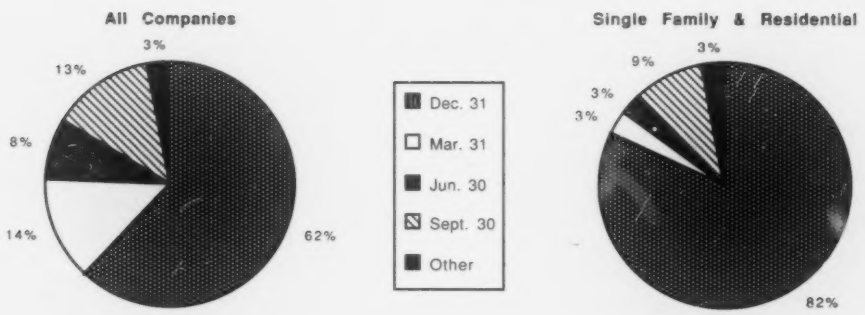
Annual Financial Statements



Interim Financial Statements



Corporate Fiscal Year-End



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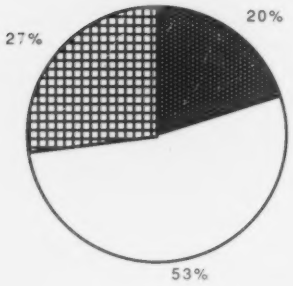
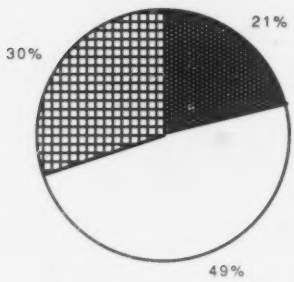
OPINIONS

All Companies



No growth expected in next year's volume
Growth anticipated in next year's volume
Next year's volume expected to decrease

Single Family & Residential



Top Five Areas of Most Challenge in the Next Five Years

	Percent of Companies Selecting Area
Insurance (Workers comp., medical, life, etc.)	67%
Financing Costs	49%
Litigation	36%
Federal Tax Legislation	33%
Manpower Needs	27%

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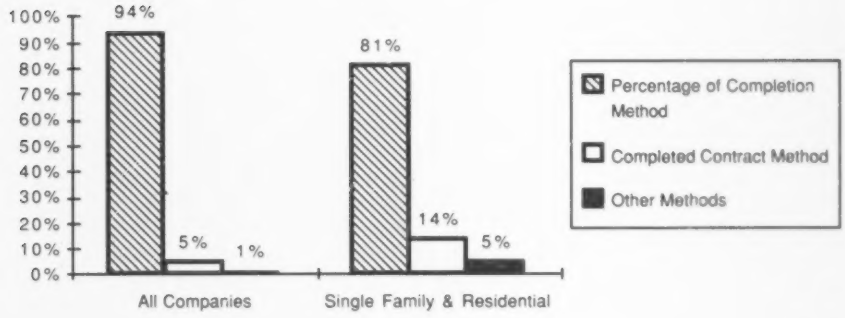
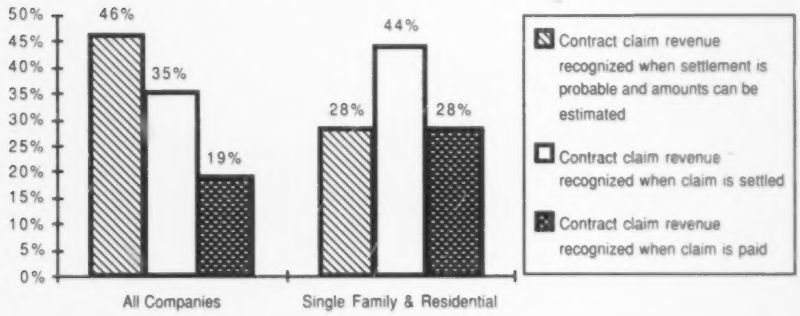
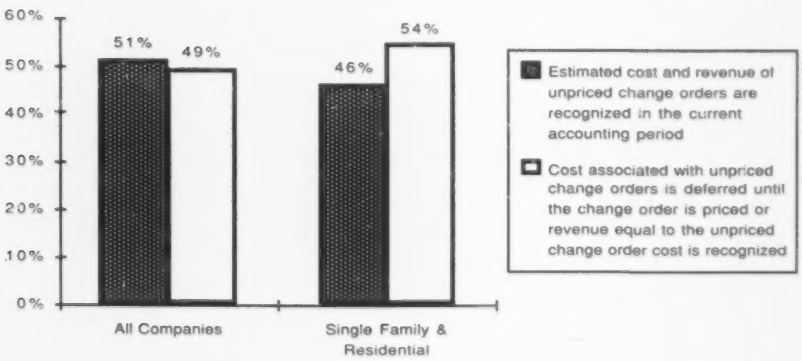
Contract Revenue Recognition



Contract Claim Revenue Recognition



Unpriced Change Order Cost



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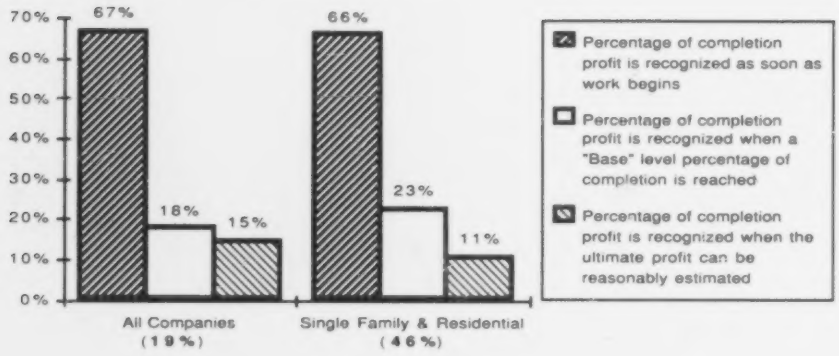
Profit Recognition Practices

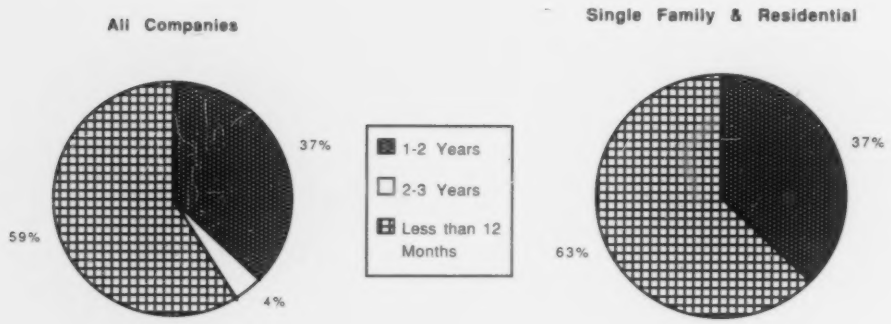


The percentages below the names represent the average "base" level of percentage completion at which contract profit recognition begins for those companies using such accounting policy.

Types of Contracts

Type of Contract	Percent of Work Performed	
	All Companies	Single Family & Residential
Fixed Price	59%	59%
Cost Plus-Guaranteed Maximum	12%	13%
Unit Price	11%	1%
Time and Materials	8%	4%
Cost Plus	7%	17%
Construction Management	3%	2%
Others	1%	4%
Total	100%	100%

LENGTH OF CONTRACT



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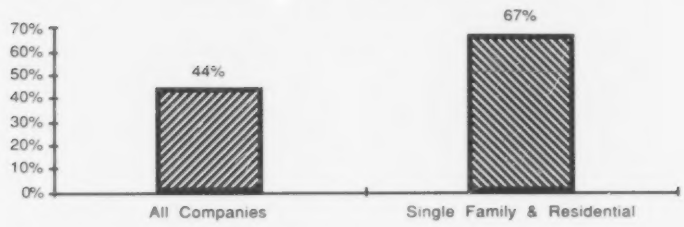
Percentage of Companies Participating in Joint Ventures in the Past Twelve Months



Investments in Joint Ventures

Accounting Method	Percentage of Each Method Used	
	All Companies	Single Family & Residential
Equity Method	51%	50%
Full Consoloidation	14%	17%
Part Equity/Part Consolidation	11%	7%
Proportionate Consolidation	8%	10%
Cost Method	12%	13%
Expanded Equity Method	1%	0%
Other	3%	3%
Total	100%	100%

Depreciation Methods

	Percentage of Each Method Used			
	Straight Line		Accelerated Methods	
Category	All Companies	Single Family & Residential	All Companies	Single Family & Residential
Buildings	84%	86%	16%	14%
Office Equipment & Furniture	66%	60%	34%	40%
Construction Equipment	66%	47%	34%	53%
Automotive Equipment	66%	53%	34%	47%
Land Improvements	81%	81%	19%	19%
Other	75%	78%	25%	22%

Inventory Valuation Methods

Method	Percentage of Each Method Used	
	All Companies	Single Family & Residential
FIFO	43%	16%
Specific Identification	21%	63%
Average Cost	24%	16%
LIFO	9%	5%
Other Methods	3%	0%
Total	100%	100%

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SELECTED FINANCIAL DATA

Single Family and Nonresidential Contractors

	All Companies	Single Family & Residential
Number of Companies	695	32
Assets	$25,141	24,737
Liabilities	17,477	15,906
Net Worth	7,664	8,831
% Net Worth to Assets	30.5	35.7
Revenues	66,568	32,018
Gross Profit	5,951	8,496
% Gross Profit	8.9	26.5
G&A Expenses	4,558	3,369
% to Revenue	6.8	10.5
Net Income	962	3,260
% Net Income	1.4	10.2
Current Ratio	1.4	1.8
Return on Assets (%)	3.8	13.2
Return on Equity (%)	12.6	36.9

Note: All $ Amounts are in Thousands.

Discussion and Analysis

The Single Family and Residential contractor composite company has a slightly lower total assets ($24,737) compared with the total assets ($25,141) of all companies participating in the survey. These companies have only about 48% of total revenue of the composite survey company, yet have a significantly higher gross profit percentage and net income percentage. Return on equity is 36.9%, well above the 12.4% composite for all companies included in the survey.

The Single Family and Residential net income percentage, return on assets and equity are significantly greater than the overall composite percentages for all companies included in the survey. The composite Single Family and Residential company reflects a significant investment in inventories which represent 41.5% of total assets. The average days sales in inventory is 157 days, which is far higher than the 8.7 days for the overall composite for all companies.

Net worth approximately doubled from 1989 to 1990 while net earnings increased by only 50% percent causing a drop in the revenue to equity ratio. Inventories and property, plant and equipment both increased substantially from 1989.

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SINGLE FAMILY AND RESIDENTIAL CONTRACTORS
COMPOSITE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$1,648,821	6.5%	$1,522,783	9.6%
Marketable securities and short term investments	101,080	0.4	484,181	3.1
Receivables:				
Contract receivables currently due	1,775,677	7.2	2,232,485	14.1
Retainages on contracts	244,416	1.0	180,796	1.1
Unbilled work	34,628	0.1	N/A	N/A
Other receivables	1,139,348	4.6	204,228	1.3
Less allowance for doubtful accounts	(6,010)	0.0	(23,633)	0.1
Total receivables, net	3,188,059	12.9	2,593,876	16.4
Inventories	10,256,846	41.5	5,552,310	35.1
Costs and recognized earnings in excess of billings on uncompleted contracts	168,562	0.7	1,762,362	11.2
Investments in construction joint ventures	1,782,571	7.2	8,333	0.1
Other current assets	120,045	0.5	190,872	1.2
Total current assets	17,225,985	69.6	12,114,717	76.7
Property, plant and equipment	8,597,036	34.8	2,756,238	17.4
Less accumulated depreciation	(1,613,949)	6.5	(534,404)	3.4
Property, plant and equipment, net	6,983,087	28.2	2,221,834	14.1
Other assets	487,803	2.0	1,439,406	9.1
Intangible assets	40,618	0.2	21,632	0.1
Total assets	$24,737,494	100.0%	$15,797,588	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$5,102,036	20.6%	$2,373,519	15.0%
Accounts payable				
Trade, including currently due subcontractors	2,151,235	8.7	1,916,711	12.1
Subcontractor retainages	190,307	0.8	308,042	1.9
Other	83,622	0.3	74,350	0.5
Total accounts payable	2,425,163	9.8	2,299,103	14.6
Accrued expenses	996,132	4.0	409,065	2.6
Billings in excess of costs and recognized earnings on uncompleted contracts	665,161	2.7	297,931	1.9
Income taxes				
Current	24,479	0.1	54,141	0.3
Deferred	75,341	0.3	145,811	0.9
Total income taxes	99,820	0.4	199,952	1.3
Other current liabilities	86,965	0.4	821,880	5.2
Total current liabilities	9,375,278	37.9	6,401,451	40.5
Long-term debt, excluding current portion	5,002,582	20.2	4,535,442	28.7
Deferred income taxes	1,039,071	4.2	151,657	1.0
Other	62,765	0.2	35,314	0.2
Minority interests	429,845	1.7	264,727	1.7
Total liabilities	15,908,065	64.3	11,388,591	72.1
Net worth —				
Stock, par value	807,709	3.3	127,375	0.8
Additional paid-in capital	715,306	2.9	760,161	4.8
Retained earnings	7,617,591	30.8	3,696,527	23.4
Treasury stock	(309,177)	1.2	(175,066)	1.1
Total net worth	8,831,429	35.7	4,408,997	27.9
Total liabilities and net worth	$24,737,494	100.0%	$15,797,588	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$19,238,617	60.1%	$23,395,865	88.7%
Other revenue	12,779,314	39.9	2,975,766	11.3
Total revenue	32,017,931	100.0	26,371,631	100.0
Contract cost	(15,293,677)	47.8	(18,932,804)	71.8
Other cost	(8,228,250)	25.7	(2,421,894)	9.2
Total cost	(23,521,927)	73.5	(21,354,699)	81.0
Gross Profit	8,496,004	26.5	5,016,932	19.0
Selling, general and administrative expenses	(3,368,859)	10.5	(2,534,578)	9.6
Interest income	293,179	0.9	N/A	N/A
Interest expense	(473,335)	1.5	N/A	N/A
Other income (expense), net	(1,326,658)	4.1	(8,586)	0.0
Net earnings (loss) before taxes	3,620,330	11.3	2,473,767	9.4
Income taxes	(360,585)	1.1	(106,390)	0.4
Net earnings (loss)	3,259,745	10.2%	$2,367,377	9.0%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	32
1989	27

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.8	1.9
Quick Ratio	0.5	0.7
Days of Cash	18.1	20.8
Work Cap Turnover	4.1	4.6
Profitability Ratios		
Return on Assets	13.2%	15.0%
Return on Equity	36.9%	53.7%
Times Interest Earned	8.6	13.7
Leverage Ratios		
Debt to Equity	1.8	2.6
Revenue to Equity	3.6	6.0
Asset Turnover	1.3	1.7
Fixed Asset Ratio	79.1%	59.4%
Equity to G & A Expenses	2.6	1.7
Underbillings to Equity	2.3%	40.0%
Average Backlog to Equity	1.7	30.8
Average Backlog to Working Capital	1.9	49.0
Average Months in Backlog	5.6	46.8
Efficiency Ratios		
Days in Accounts Receivable	35.8	35.4
Days in Inventory	157.0	90.6
Days in Accounts Payable	37.1	38.8
Operating Cycle	173.8	111.0

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SELECTED REGIONAL FINANCIAL DATA

Single Family and Nonresidential Contractors

	All Companies	Regions					
		NE	SE	MW	SW	W	FW
Number of Companies	32	3	4	2	N/A	6	18
Assets	24,737	4,775	5,412	4,999	-	4,280	38,166
Liabilities	15,906	4,618	5,033	3,224	-	2,319	24,246
Net Worth	8,831	157	378	1,775	-	1,962	13,919
% Net Worth to Assets	35.7	3.3	7.0	35.5	-	45.8	36.5
Revenues	32,018	19,786	22,426	16,179	-	8,764	44,192
Gross Profit	8,496	1,520	1,645	1,160	-	784	13,715
% Gross Profit	26.5	7.7	7.3	7.2	-	8.9	31.0
G&A Expenses	3,369	1,609	1,714	648	-	366	4,989
% to Revenue	10.5	8.1	7.6	4.0	-	4.2	11.3
Net Income	3,260	-161	-127	239	-	410	5,484
% Net Income	10.2	0.8	0.6	1.5	-	4.7	12.4
Current Ratio	1.8	0.8	0.9	1.4	-	1.9	2.0
Return on Assets (%)	13.2	-3.4	-2.3	4.8	-	9.6	14.4
Return on Equity (%)	36.9	-102.9	-33.5	13.5	-	20.9	39.4

Note: All $ amounts are in thousands

Discussion and Analysis

The Farwest region includes over one-half (56%) of the companies classified as Single Family and Residential and the West region includes another 19%. The Far West region's gross profit percentage, G&A percentage and net income percentage are more representative of the composite amounts. The Northeast, Midwest, Southwest, and Southeast regional data has limited usefulness because only 9 companies are represented in the four regions. There was only one response for the Southwest region, which did not provide enough data to obtain an average for that region.

The net income percentage for the Farwest (12.4%) remained consistent with the 1989 percentage of 11%. Although there were three more responses in 1990 for the West region, the net income percentage decreased by 21.8% from 1989. Also noted were extremely high decreases in the West region in return on assets and return on equity. The Northeast region showed a downward turn from 1989. Net income percentage decreased from 2.5% to (.8%) and likewise return on assets and return on equity also decreased.

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SINGLE FAMILY AND RESIDENTIAL CONTRACTORS
NORTHEAST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$230,773	4.8%	$762,261	10.1%
Marketable securities and short-term investments	0	0.0	49,661	0.7
Receivables:				
Contract receivables currently due	2,348,686	49.1	2,168,444	28.7
Retainages on contracts	0	0.0	320,685	4.2
Unbilled work	0	0.0	N/A	N/A
Other receivables	143,153	3.0	163,511	2.2
Less allowance for doubtful accounts	0	0.0	0	0.0
Total receivables, net	2,489,840	52.1	2,652,640	35.1
Inventories	0	0.0	3,672,355	48.5
Costs and recognized earnings in excess of billings on uncompleted contracts	99,175	2.1	118,896	1.6
Investments in construction joint ventures	959,834	20.1	25,815	0.3
Other current assets	70,926	1.5	54,279	0.7
Total current assets	3,850,548	80.6	7,335,907	97.0
Property, plant and equipment	328,625	6.9	346,588	4.6
Less accumulated depreciation	(140,649)	2.9	(148,231)	2.0
Property, plant and equipment, net	187,976	3.9	198,357	2.6
Other assets	736,421	15.4	23,573	0.3
Intangible assets	0	0.0	6,591	0.1
Total assets	$4,774,945	100.0%	$7,564,428	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$559,537	11.7%	$1,535,582	20.3%
Accounts payable				
Trade, including currently due subcontractors	2,835,841	59.4	1,932,260	25.5
Subcontractor retainages	514,749	10.8	106,104	1.4
Other	248,948	5.2	134,222	1.8
Total accounts payable	3,599,537	75.4	2,172,585	28.7
Accrued expenses	42,697	0.9	86,123	1.1
Billings in excess of costs and recognized earnings on uncompleted contracts	371,251	7.8	257,883	3.4
Income taxes				
Current	29	0.0	39,752	0.5
Deferred	0	0.0	5,214	0.1
Total income taxes	29	0.0	44,966	0.6
Other current liabilities	0	0.0	43,530	0.6
Total current liabilities	4,573,051	95.8	4,140,670	54.7
Long-term debt, excluding current portion	26,273	0.6	1,239,880	16.4
Deferred income taxes	0	0.0	772	0.0
Other	19,032	0.4	9,286	0.1
Minority interests	0	0.0	0	0.0
Total liabilities	4,618,355	96.7	5,390,608	71.3
Net worth				
Stock, par value	4,700	0.1	31,319	0.4
Additional paid-in capital	85,333	1.8	1,713,470	22.7
Retained earnings	149,890	3.1	439,867	5.8
Treasury stock	(83,333)	1.7	(10,836)	0.1
Total net worth	156,590	3.3	2,173,820	28.7
Total liabilities and net worth	$4,774,945	100.0%	$7,564,428	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$19,700,317	99.6%	$13,336,978	99.6%
Other revenue	85,273	0.4	59,891	0.4
Total revenue	19,785,590	100.0	13,396,869	100.0
Contract cost	(18,266,058)	92.3	(11,816,196)	88.2
Other cost	0	0.0	(240,720)	1.8
Total cost	(18,266,058)	92.3	(12,056,916)	90.0
Gross Profit	1,519,532	7.7	1,339,953	10.0
Selling, general and administrative expenses	(1,608,838)	8.1	(840,983)	6.3
Interest income	34,609	0.2	N/A	N/A
Interest expense	(103,042)	0.5	N/A	N/A
Other income (expense), net	(3,958)	0.0	(87,151)	0.7
Net earnings (loss) before taxes	(161,698)	0.8	411,819	3.1
Income taxes	560	0.0	(76,033)	0.6
Net earnings (loss)	($161,139)	0.8%	$335,786	2.5%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	3
1989	7

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	0.8	1.8
Quick Ratio	0.6	0.8
Days of Cash	4.2	20.5
Work Cap. Turnover	-27.4	4.2
Profitability Ratios		
Return on Assets	-3.4%	4.4%
Return on Equity	-102.9%	15.4%
Times Interest Earned	-0.6	5.8
Leverage Ratios		
Debt to Equity	29.5	2.5
Revenue to Equity	126.4	6.2
Asset Turnover	4.1	1.8
Fixed Asset Ratio	120.0%	9.1%
Equity to G & A Expenses	0.1	2.6
Underbillings to Equity	63.3%	5.9%
Average Backlog to Equity	124.8	27.8
Average Backlog to Working Capital	-27.1	73.5
Average Months in Backlog	11.9	7.9
Efficiency Ratios		
Days in Accounts Receivable	45.3	71.3
Days in Inventory	0.0	109.7
Days in Accounts Payable	70.9	64.9
Operating Cycle	-21.4	136.5

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BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$423,306	7.8%	$515,336	15.0%
Marketable securities and short-term investments	0	0.0	0	0.0
Receivables:				
Contract receivables currently due	2,633,991	48.7	2,444,025	71.0
Retainages on contracts	116,602	2.2	0	0.0
Unbilled work	15,035	0.3	N/A	N/A
Other receivables	171,485	3.2	36,982	1.1
Less allowance for doubtful accounts	(5,680)	0.1	(15,132)	0.4
Total receivables, net	2,931,433	54.2	2,465,875	71.6
Inventories	0	0.0	0	0.0
Costs and recognized earnings in excess of billings on uncompleted contracts	114,513	2.1	122,187	3.5
Investments in construction joint ventures	960,512	17.7	0	0.0
Other current assets	51,622	1.0	6,164	0.2
Total current assets	4,481,386	82.8	3,109,561	90.3
Property, plant and equipment	354,858	6.6	1,236,589	35.9
Less accumulated depreciation	(161,049)	3.0	(906,551)	26.3
Property, plant and equipment, net	193,808	3.6	330,038	9.6
Other assets	736,421	13.6	3,799	0.1
Intangible assets	0	0.0	0	0.0
Total assets	$5,411,615	100.0%	$3,443,398	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$561,122	10.4%	$117,492	3.4%
Accounts payable:				
Trade, including currently due subcontractors	3,018,467	55.8	2,636,378	76.6
Subcontractor retainages	653,044	12.1	0	0.0
Other	247,893	4.6	0	0.0
Total accounts payable	3,919,404	72.4	2,636,378	76.6
Accrued expenses	42,992	0.8	43,210	1.3
Billings in excess of costs and recognized earnings on uncompleted contracts	378,739	7.0	271,637	7.9
Income taxes:				
Current	14,545	0.3	4,290	0.1
Deferred	0	0.0	0	0.0
Total income taxes	14,545	0.3	4,290	0.1
Other current liabilities	0	0.0	0	0.0
Total current liabilities	4,916,801	90.9	3,073,017	89.2
Long-term debt, excluding current portion	97,557	1.8	241,210	7.0
Deferred income taxes	0	0.0	0	0.0
Other	19,032	0.4	0	0.0
Minority interests	0	0.0	0	0.0
Total liabilities	5,033,390	93.0	3,314,227	96.2
Net worth:				
Stock, par value	7,700	0.1	1,010	0.0
Additional paid-in capital	93,833	1.7	0	0.0
Retained earnings	360,025	6.7	128,161	3.7
Treasury stock	(83,333)	1.5	0	0.0
Total net worth	378,225	7.0	129,171	3.8
Total liabilities and net worth	$5,411,615	100.0%	$3,443,398	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$22,232,193	99.1%	$14,193,157	100.0%
Other revenue	194,273	0.9	0	0.0
Total revenue	22,426,466	100.0	14,193,157	100.0
Contract cost	(20,781,520)	92.7	(11,383,970)	80.2
Other cost	0	0.0	0	0.0
Total cost	(20,781,520)	92.7	(11,383,970)	80.2
Gross Profit	1,644,945	7.3	2,809,188	19.8
Selling, general and administrative expenses	(1,714,238)	7.6	(2,331,384)	16.4
Interest income	55,982	0.2	N/A	N/A
Interest expense	(104,914)	0.5	N/A	N/A
Other income (expense), net	(8,417)	0.0	(41,162)	0.3
Net earnings (loss) before taxes	(126,642)	0.6	436,642	3.1
Income taxes	33	0.0	(33,252)	0.2
Net earnings (loss)	(126,609)	0.6%	$403,390	2.8%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	4
1989	2

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	0.9	1.0
Quick Ratio	0.7	1.0
Days of Cash	6.8	13.1
Work. Cap. Turnover	-51.5	388.4
Profitability Ratios		
Return on Assets	-2.3%	11.7%
Return on Equity	-33.5%	312.3%
Times Interest Earned	-0.2	11.8
Leverage Ratios		
Debt to Equity	13.3	25.7
Revenue to Equity	59.3	109.9
Asset Turnover	4.1	4.1
Fixed Asset Ratio	51.2%	256.9%
Equity to G & A Expenses	0.2	0.1
Underbillings to Equity	34.3%	94.8%
Average Backlog to Equity	46.4	15.4
Average Backlog to Working Capital	-40.3	45.1
Average Months in Backlog	9.4	3.7
Efficiency Ratios		
Days in Accounts Receivable	47.1	62.5
Days in Inventory	0.0	0.0
Days in Accounts Payable	67.9	83.4
Operating Cycle	-14.0	-7.8

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SINGLE FAMILY AND RESIDENTIAL CONTRACTORS
MIDWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$174,414	3.9%	$1,702,907	11.6%
Marketable securities and short-term investments			0	0.0
Receivables:				
Contract receivables currently due	1,935,327	38.7	5,042,029	34.2
Retainages on contracts	188,903	3.8	282,099	1.9
Unbilled work	0	0.0	N/A	N/A
Other receivables	249,312	5.0	206,691	1.4
Less allowance for doubtful accounts	0	0.0	(88,095)	0.6
Total receivables, net	2,373,542	47.5	5,442,724	36.9
Inventories	1,480,558	29.6	1,973,919	13.4
Costs and recognized earnings in excess of billings on uncompleted contracts	157,802	3.2	4,020,674	27.3
Investments in construction joint ventures	268,289	5.4	0	0.0
Other current assets	16,843	0.3	92,025	0.6
Total current assets	4,471,447	89.4	13,232,248	89.8
Property, plant and equipment	1,004,795	20.1	1,872,714	12.7
Less accumulated depreciation	(543,987)	10.9	(1,134,836)	7.7
Property, plant and equipment, net	460,807	9.2	737,878	5.0
Other assets	67,135	1.3	766,180	5.2
Intangible assets	79	0.0	0	0.0
Total assets	$4,999,469	100.0%	$14,736,306	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$100,017	2.0%	$1,150,548	7.8%
Accounts payable				
Trade, including currently due subcontractors	1,524,972	30.5	2,952,055	20.0
Subcontractor retainages	294,640	5.9	282,324	1.9
Other	937,663	18.8	100,647	0.7
Total accounts payable	2,757,274	55.2	3,335,026	22.6
Accrued expenses	123,906	2.5	1,160,818	7.9
Billings in excess of costs and recognized earnings on uncompleted contracts	227,431	4.5	418,216	2.8
Income taxes				
Current	0	0.0	26,500	0.2
Deferred	0	0.0	191,692	1.3
Total income taxes	0	0.0	218,192	1.5
Other current liabilities	13,439	0.3	397,779	2.7
Total current liabilities	3,222,068	64.4	6,680,578	45.3
Long-term debt, excluding current portion	2,073	0.0	2,399,478	16.3
Deferred income taxes	0	0.0	373,497	2.5
Other	0	0.0	135,249	0.9
Minority interests	0	0.0	0	0.0
Total liabilities	3,224,141	64.5	9,588,801	65.1
Net worth				
Stock, par value	52,567	1.1	116,686	0.8
Additional paid in capital	717,511	14.4	482,726	3.3
Retained earnings	1,005,250	20.1	4,958,838	33.7
Treasury stock	0	0.0	(410,746)	2.8
Total net worth	1,775,328	35.5	5,147,505	34.9
Total liabilities and net worth	$4,999,469	100.0%	$14,736,306	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$16,048,540	99.2%	$40,884,194	100.0%
Other revenue	130,000	0.8	0	0.0
Total revenue	16,178,540	100.0	40,884,194	100.0
Contract cost	(15,018,666)	92.8	(36,960,062)	90.4
Other cost	0	0.0	0	0.0
Total cost	(15,018,666)	92.8	(36,960,062)	90.4
Gross Profit	1,159,874	7.2	3,924,132	9.6
Selling, general and administrative expenses	(647,530)	4.0	(2,654,777)	6.5
Interest income	33,402	0.2	N/A	N/A
Interest expense	(32,971)	0.2	N/A	N/A
Other income (expense), net	(273,665)	1.7	200,741	0.5
Net earnings (loss) before taxes	239,111	1.5	1,470,095	3.6
Income taxes	0	0.0	(199,735)	0.5
Net earnings (loss)	$239,111	1.5%	$1,270,360	3.1%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	2
1989	4

Financial Ratios

Liquidity Ratios	1990 Participant	1989 Participants
Current Ratio	1.4	2.0
Quick Ratio	0.8	1.1
Days of Cash	3.9	15.0
Work. Cap. Turnover	12.9	6.2
Profitability Ratios		
Return on Assets	4.8%	8.6%
Return on Equity	13.5%	24.7%
Times Interest Earned	8.3	22.4
Leverage Ratios		
Debt to Equity	1.8	1.9
Revenue to Equity	9.1	7.9
Asset Turnover	3.2	2.8
Fixed Asset Ratio	26.0%	14.3%
Equity to G & A Expenses	2.7	1.9
Underbillings to Equity	8.9%	78.1%
Average Backlog to Equity	14.1	9.0
Average Backlog to Working Capital	20.0	7.7
Average Months in Backlog	18.5	5.5
Efficiency Ratios		
Days in Accounts Receivable	52.8	47.9
Days in Inventory	35.5	19.2
Days in Accounts Payable	66.1	32.5
Operating Cycle	26.1	48.7

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SINGLE FAMILY AND RESIDENTIAL CONTRACTORS
WEST REGION

BALANCE SHEET

	[illegible] Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$261,390	6.6%	$3,308,960	11.3%
Marketable securities and short-term investments	316,625	7.4	3,009,253	10.3
Receivables:				
Contract receivables currently due	2,471,181	57.7	1,089,370	3.7
Retainages on contracts	513,678	12.0	66,474	0.2
Unbilled work	28,162	0.7	N/A	N/A
Other receivables	276,159	6.5	262,556	0.9
Less allowance for doubtful accounts	0	0.0	0	0.0
Total receivables, net	3,289,181	76.8	1,418,400	4.9
Inventories	4,358	0.1	20,522,837	70.3
Costs and recognized earnings in excess of billings on uncompleted contracts	80,196	1.9	104,434	0.4
Investments in construction joint ventures	0	0.0	0	0.0
Other current assets	37,130	0.9	69,815	0.2
Total current assets	4,010,878	93.7	28,433,699	97.4
Property, plant and equipment	576,891	13.5	651,560	2.2
Less accumulated depreciation	(333,486)	7.8	(236,816)	0.8
Property, plant and equipment, net	243,405	5.7	414,744	1.4
Other assets	64	0.0	352,677	1.2
Intangible assets	26,072	0.6	0	0.0
Total assets	$4,280,420	100.0%	$29,201,120	100.0%

	[illegible] Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$315,671	7.4%	$519,445	1.8%
Accounts payable				
Trade, including currently due subcontractors	1,015,931	23.7	492,298	1.7
Subcontractor retainages	303,008	7.1	115,070	0.4
Other	13,852	0.3	0	0.0
Total accounts payable	1,332,792	31.1	607,468	2.1
Accrued expenses	84,506	2.0	246,732	0.8
Billings in excess of costs and recognized earnings on uncompleted contracts	319,311	7.5	81,056	0.3
Income taxes				
Current	0	0.0	12,063	0.0
Deferred	0	0.0	15,801	0.1
Total income taxes	0	0.0	27,864	0.1
Other current liabilities	36,275	0.8	767,197	2.6
Total current liabilities	2,088,555	48.8	2,259,786	7.7
Long-term debt, excluding current portion	213,017	5.0	13,200,957	45.2
Deferred income taxes	0	0.0	0	0.0
Other	17,254	0.4	0	0.0
Minority interests	0	0.0	0	0.0
Total liabilities	2,318,826	54.2	15,460,743	52.9
Net worth				
Stock, par value	60,303	1.4	75,375	0.3
Additional paid-in capital	127,123	3.0	211,916	0.7
Retained earnings	1,839,459	43.0	13,453,086	46.1
Treasury stock	(65,290)	1.5	0	0.0
Total net worth	1,961,594	45.8	13,740,377	47.1
Total liabilities and net worth	$4,280,420	100.0%	$29,201,120	100.0%

STATEMENT OF EARNINGS

	[illegible] Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$8,745,664	99.9%	$36,241,918	99.9%
Other revenue	18,511	0.2	22,538	0.1
Total revenue	8,764,176	100.0	36,264,455	100.0
Contract cost	(7,980,253)	91.1	(23,241,305)	64.1
Other cost	8	0.0	0	0.0
Total cost	(7,980,253)	91.1	(23,241,305)	64.1
Gross Profit	783,923	8.9		0.0
Selling, general and administrative expenses	(366,134)	4.2	(3,389,340)	9.3
Interest income	20,723	0.2	N/A	N/A
Interest expense	(28,796)	0.3	N/A	N/A
Other income (expense), net	2	0.0	221,640	0.6
Net earnings (loss) before taxes	409,718	4.7	9,855,451	27.2
Income taxes	0	0.0	(247,447)	0.7
Net earnings (loss)	409,718	4.7%	$9,608,004	26.5%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	6
1989	3

Financial Ratios

Liquidity Ratios	[illegible] Participants	1989 Participants
Current Ratio	1.9	4.1
Quick Ratio	1.9	1.2
Days of Cash	11.6	31.0
Work Cap. Turnover	4.6	3.4
Profitability Ratios		
Return on Assets	9.6%	20.0%
Return on Equity	20.9%	40.5%
Times Interest Earned	15.2	10.3
Leverage Ratios		
Debt to Equity	1.2	1.1
Revenue to Equity	4.5	3.6
Asset Turnover	2.0	1.8
Fixed Asset Ratio	12.4%	18.0%
Equity to G & A Expenses	5.4	4.4
Underbillings to Equity	5.5%	10.0%
Average Backlog to Equity	2.4	0.7
Average Backlog to Working Capital	2.4	0.8
Average Months in Backlog	6.4	1.3
Efficiency Ratios		
Days in Accounts Receivable	135.1	34.3
Days in Inventory	0.2	315.1
Days in Accounts Payable	60.1	42.6
Operating Cycle	86.8	317.8

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SINGLE FAMILY AND RESIDENTIAL CONTRACTORS
FARWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$2,464,019	6.9%	$1,422,078	9.8%
Marketable securities and short-term investments	107,355	0.3	318,763	2.2
Receivables:				
Contract receivables currently due	1,600,083	4.2	1,564,583	10.7
Retainages on contracts	270,906	0.7	108,545	0.7
Unbilled work	55,161	0.1	N/A	N/A
Other receivables	1,793,926	4.7	142,952	1.0
Less allowance for doubtful accounts	(9,031)	0.0	0	0.0
Total receivables, net	3,711,044	9.7	1,816,079	12.5
Inventories	16,637,992	43.6	3,805,609	26.1
Costs and recognized earnings in excess of billings on uncompleted contracts	224,800	0.6	3,027,536	20.8
Investments in construction joint ventures	2,716,803	7.1	4,286	0.0
Other current assets	170,082	0.4	209,607	1.4
Total current assets	26,032,095	68.2	10,603,958	72.8
Property, plant and equipment	13,894,927	36.4	1,065,408	7.3
Less accumulated depreciation	(2,499,235)	6.5	(379,093)	2.6
Property, plant and equipment, net	11,395,692	29.9	686,315	4.7
Other assets	677,188	1.8	3,266,455	22.4
Intangible assets	60,579	0.2	0	0.0
Total assets	$38,165,555	100.0%	$14,556,728	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$8,143,985	21.3%	$4,645,407	31.9%
Accounts payable				
Trade, including currently due subcontractors	2,126,626	5.6	1,671,086	11.5
Subcontractor retainages	136,094	0.4	625,980	4.3
Other	23,423	0.1	3,093	0.0
Total accounts payable	2,286,143	6.0	2,300,159	15.8
Accrued expenses	1,593,075	4.2	328,255	2.3
Billings in excess of costs and recognized earnings on uncompleted contracts	916,560	2.4	413,187	2.8
Income taxes				
Current	37,238	0.1	43,296	0.3
Deferred	123,217	0.3	100,510	0.7
Total income taxes	160,456	0.4	143,806	1.0
Other current liabilities	131,906	0.3	40,880	0.3
Total current liabilities	13,232,125	34.7	7,871,474	54.1
Long-term debt, excluding current portion	8,441,523	22.1	2,160,142	14.8
Deferred income taxes	1,748,856	4.6	162,855	1.1
Other	93,700	0.2	29,167	0.2
Minority interests	729,910	1.9	508,929	3.5
Total liabilities	24,246,114	63.5	10,732,568	73.7
Net worth				
Stock, par value	1,334,302	3.5	245,805	1.7
Additional paid-in capital	1,018,631	2.7	459,502	3.2
Retained earnings	12,027,950	31.5	3,411,768	23.4
Treasury stock	(461,442)	1.2	(293,917)	2.0
Total net worth	13,919,441	36.5	3,824,161	26.3
Total liabilities and net worth	$38,165,555	100.0%	$14,556,728	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$22,447,256	50.8%	$18,086,339	83.5%
Other revenue	21,744,983	49.2	3,564,183	16.5
Total revenue	44,192,240	100.0	21,650,522	100.0
Contract cost	(16,440,888)	37.2	(14,783,447)	68.3
Other cost	(14,036,426)	31.8	(2,830,010)	13.1
Total cost	(30,477,314)	69.0	(17,613,457)	81.4
Gross Profit	13,714,926	31.0	4,037,065	18.6
Selling, general and administrative expenses	(4,989,407)	11.3	(1,873,653)	8.7
Interest income	479,356	1.1	N/A	N/A
Interest expense	(791,955)	1.8	N/A	N/A
Other income (expense), net	(2,290,478)	5.2	260,753	1.2
Net earnings (loss) before taxes	6,122,442	13.9	2,424,165	11.2
Income taxes	(638,517)	1.4	(42,621)	0.2
Net earnings (loss)	$5,483,925	12.4%	$2,381,544	11.0%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	18
1989	10

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	2.0	1.3
Quick Ratio	0.5	0.5
Days of Cash	20.1	23.6
Work. Cap. Turnover	3.5	7.9
Profitability Ratios		
Return on Assets	14.4%	16.4
Return on Equity	39.4%	62.3
Times Interest Earned	8.7	18.6
Leverage Ratios		
Debt to Equity	1.7	2.8
Revenue to Equity	3.2	5.7
Asset Turnover	1.2	1.5
Fixed Asset Ratio	81.9%	17.9%
Equity to G & A Expenses	2.8	2.0
Underbillings to Equity	2.0%	79.2
Average Backlog to Equity	1.1	56.3
Average Backlog to Working Capital	1.2	73.7
Average Months in Backlog	4.2	114.6
Efficiency Ratios		
Days in Accounts Receivable	30.2	30.2
Days in Inventory	196.5	77.8
Days in Accounts Payable	27.0	47.0
Operating Cycle	219.8	84.6

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SELECTED SIZE FINANCIAL DATA

Single Family and Residential Contractors

	All Companies	Less than $10 Million	$10-50 Million	Over $50 Million
Number of Companies	32	11	18	3
Assets	$24,737	3,165	9,711	179,616
Liabilities	15,906	1,649	7,767	107,808
Net Worth	8,831	1,515	1,944	71,807
% Net Worth to Assets	35.7	47.9	20.0	40.0
Revenues	32,018	3,864	24,217	153,900
Gross Profit	8,496	745	4,316	54,246
% Gross Profit	26.5	19.3	17.8	35.2
G&A Expenses	3,369	548	2,460	17,382
% to Revenue	10.5	14.2	10.2	11.3
Net Income	3,260	138	1,212	23,867
% Net Income	10.2	3.6	5.0	15.5
Current Ratio	1.8	1.9	1.3	2.7
Return on Assets (%)	13.2	4.4	12.5	13.3
Return on Equity (%)	36.9	9.1	62.4	33.2

Note: All $ amounts are in thousands

Discussion and Analysis

Over one half (56%) of the companies in this group are included in the category with annual revenue between $10-50 million, with the composite revenue of these 18 companies being $24.2 million. Net worth to assets (20%) represents a strong financial position for these companies. The gross profit percentage (7.8%) and net income percentage (5%) are slightly lower than the composite percentages for all Single Family and Residential contractors as a group.

One-third of the companies in this group have annual contract volume of less than $10 million. These companies are approximately one-eighth the size of the composite Single Family and Residential contractor and have an annual volume of approximately 12% of the composite company. Net income percentages for these smaller companies decreased by approximately 9% from 1989 reflecting their vulnerability to changes in the economy.

Assets tripled from 1989 for companies with annual revenue in excess of $50 million. There were obviously some larger respondents to the 1990 survey creating a larger composite balance for 1990. The gross profit percentage (35.2%) and net income percentage (15.5%) are higher than the composite percentages for all companies (26.5% and 10.2%, respectively). Net worth as a percentage to total assets (40%) represents a solid base and provides some flexibility to changes in the marketplace.

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SINGLE FAMILY AND RESIDENTIAL CONTRACTORS
LESS THAN $10 MILLION REVENUE

BALANCE SHEET

	1990 Participant		1989 Participant			1990 Participant		1989 Participant	
	Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
Current assets					Current liabilities				
Cash and cash equivalents	$552,848	17.5%	$228,118	4.5%	Current portion of long-term debt	$290,398	9.2%	$101,398	2.0%
Marketable securities and short-term investments	182,635	5.8	13,738	0.3	Accounts payable				
Receivables:					Trade, including currently due subcontractors	461,410	14.6	873,127	17.1
Contract receivables currently due	621,374	19.6	578,985	11.4	Subcontractor retainages	36,282	1.1	176,068	3.5
Retainages on contracts	96,041	3.0	60,893	1.2	Other	412,552	13.0	34,347	0.7
Unbilled work	16,791	0.5	N/A	N/A					
Other receivables	264,126	8.3	151,799	3.0	Total accounts payable	910,244	28.8	1,083,540	21.2
Less allowance for doubtful accounts	0	0.0	(4,279)	0.1					
					Accrued expenses	60,999	1.9	127,114	2.5
Total receivables, net	998,332	31.5	787,377	15.4	Billings in excess of costs and recognized earnings on uncompleted contracts	208,310	6.6	25,347	0.5
Inventories	979,843	31.0	785	0.0	Income taxes				
Costs and recognized earnings in excess of billings on uncompleted contracts	27,719	0.9	3,757,824	73.7	Current	0	0.0	37,891	0.7
Investments in construction joint ventures	154,532	4.9	0	0.0	Deferred	60,033	1.9	14,872	0.3
Other current assets	48,134	1.5	63,779	1.3	Total income taxes	60,033	1.9	52,763	1.0
					Other current liabilities	7,871	0.2	15,665	0.3
Total current assets	2,944,041	93.0	4,851,620	95.1	Total current liabilities	1,537,855	48.6	1,405,625	27.6
Property, plant and equipment	321,747	10.2	574,435	11.3					
Less accumulated depreciation	(103,008)	3.3	(355,317)	7.0	Long-term debt, excluding current portion	111,474	3.5	909,784	17.8
					Deferred income taxes	0	0.0	91,433	1.8
Property, plant and equipment, net	218,739	6.9	219,118	4.3	Other	0	0.0	24,243	0.5
Other assets	1,870	0.1	28,469	0.6	Minority interests	0	0.0	0	0.0
					Total liabilities	1,649,329	52.1	2,431,284	47.7
Intangible assets	21	0.0	130	0.0					
					Net worth				
					Stock, par value	172,881	5.5	124,539	2.4
					Additional paid-in capital	252,958	8.0	137,140	2.7
					Retained earnings	1,089,503	34.4	2,406,373	47.2
					Treasury stock	0	0.0	0	0.0
					Total net worth	1,515,342	47.9	2,668,053	52.3
Total assets	$3,164,671	100.0%	$5,099,337	100.0%	Total liabilities and net worth	$3,164,671	100.0%	$5,099,337	100.0%

STATEMENT OF EARNINGS

	1990 Participant		1989 Participant	
	Amount	Percent	Amount	Percent
Contract revenue	$3,778,452	97.8%	$4,479,791	98.6%
Other revenue	85,875	2.2	61,564	1.4
Total revenue	3,864,327	100.0	4,541,356	100.0
Contract cost	(3,075,183)	79.6	(2,725,231)	60.0
Other cost	(43,656)	1.1	(47,871)	1.1
Total cost	(3,118,839)	80.7	(2,773,102)	61.1
Gross Profit	745,488	19.3	1,768,253	38.9
Selling, general and administrative expenses	(547,774)	14.2	(1,115,111)	24.6
Interest income	40,362	1.0	N/A	N/A
Interest expense	(20,352)	0.5	N/A	N/A
Other income (expense), net	(76,908)	2.0	25,522	0.6
Net earnings (loss) before taxes	140,816	3.6	678,664	14.9
Income taxes	(2,479)	0.1	(84,688)	1.9
Net earnings (loss)	138,337	3.6%	$593,976	13.1%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	11
1989	7

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.9	3.5
Quick Ratio	1.1	0.7
Days of Cash	51.5	18.1
Work Cap Turnover	2.7	1.3
Profitability Ratios		
Return on Assets	4.4%	11.6%
Return on Equity	9.1%	22.3%
Times Interest Earned	7.9	6.4
Leverage Ratios		
Debt to Equity	1.1	0.9
Revenue to Equity	2.6	1.7
Asset Turnover	1.2	0.9
Fixed Asset Ratio	14.4%	8.2%
Equity to G & A Expenses	2.8	2.4
Underbillings to Equity	2.9%	140.8%
Average Backlog to Equity	8.4	67.4
Average Backlog to Working Capital	9.0	82.7
Average Months in Backlog	39.5	152.5
Efficiency Ratios		
Days in Accounts Receivable	93.0	62.4
Days in Inventory	113.1	0.1
Days in Accounts Payable	105.1	140.7
Operating Cycle	152.5	-60.1

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SINGLE FAMILY AND RESIDENTIAL CONTRACTORS
$10 - 50 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$940,600	9.7%	$914,910	8.6%
Marketable securities and short-term investments	106,489	1.1	229,323	2.2
Receivables:				
Contract receivables currently due	2,691,117	27.7	2,142,016	20.1
Retainages on contracts	367,172	3.8	281,729	2.6
Unbilled work	51,035	0.5	N/A	N/A
Other receivables	171,312	1.8	176,825	1.7
Less allowance for doubtful accounts	(2,698)	0.0	(23,421)	0.2
Total receivables, net	3,277,937	33.8	2,577,150	24.2
Inventories	3,557,038	36.6	2,657,990	24.9
Costs and recognized earnings in excess of billings on uncompleted contracts	265,176	2.7	1,188,999	11.2
Investments in construction joint ventures	657,545	6.8	12,036	0.1
Other current assets	101,923	1.0	122,190	1.1
Total current assets	8,906,708	91.7	7,702,598	72.3
Property, plant and equipment	759,513	7.8	1,028,648	9.7
Less accumulated depreciation	(351,318)	3.6	(398,618)	3.7
Property, plant and equipment, net	408,195	4.2	630,030	5.9
Other assets	328,789	3.4	2,320,660	21.8
Intangible assets	67,182	0.7	3,013	0.0
Total assets	$9,710,874	100.0%	$10,656,300	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$2,917,352	30.0%	$1,152,455	10.8%
Accounts payable				
Trade, including currently due subcontractors	2,743,130	28.2	1,739,479	16.3
Subcontractor retainages	499,172	5.1	395,693	3.7
Other	63,362	0.7	87,612	0.8
Total accounts payable	3,305,664	34.0	2,222,784	20.9
Accrued expenses	255,612	2.6	501,195	4.7
Billings in excess of costs and recognized earnings on uncompleted contracts	383,236	3.7	391,014	3.7
Income taxes				
Current	39,134	0.4	39,525	0.4
Deferred	107,084	1.1	64,030	0.6
Total income taxes	146,218	1.5	103,555	1.0
Other current liabilities	54,097	0.6	251,311	2.4
Total current liabilities	7,042,208	72.5	4,622,315	43.4
Long-term debt, excluding current portion	557,720	5.7	2,315,104	21.7
Deferred income taxes	85,874	0.9	78,156	0.7
Other	81,128	0.8	18,969	0.2
Minority interests	0	0.0	254,497	2.4
Total liabilities	7,766,931	80.0	7,287,041	68.4
Net worth				
Stock, par value	287,457	3.0	152,879	1.4
Additional paid-in capital	219,742	2.3	1,138,795	10.7
Retained earnings	1,624,522	16.7	2,253,630	21.2
Treasury stock	(187,778)	1.9	(176,245)	1.7
Total net worth	1,943,943	20.0	3,369,259	31.6
Total liabilities and net worth	$9,710,874	100.0%	$10,656,300	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$24,168,548	99.8%	$18,273,281	98.1%
Other revenue	48,339	0.2	358,115	1.9
Total revenue	24,216,886	100.0	18,631,397	100.0
Contract cost	(19,901,190)	82.2	(15,839,026)	85.0
Other cost	0	0.0	(241,669)	1.3
Total cost	(19,901,190)	82.2	(16,080,695)	86.3
Gross Profit	4,315,696	17.8	2,550,701	13.7
Selling, general and administrative expenses	(2,460,017)	10.2	(1,583,337)	8.5
Interest income	188,440	0.8	N/A	N/A
Interest expense	(231,335)	1.0	N/A	N/A
Other income (expense), net	(354,794)	1.5	78,684	0.4
Net earnings (loss) before taxes	1,457,991	6.0	1,046,049	5.6
Income taxes	(245,521)	1.0	(94,413)	0.5
Net earnings (loss)	$1,212,469	5.0%	$951,636	5.1%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	18
1989	15

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.3	1.7
Quick Ratio	0.6	0.8
Days of Cash	14.0	17.7
Work. Cap. Turnover	13.0	6.0
Profitability Ratios		
Return on Assets	12.5%	8.9%
Return on Equity	62.4%	28.2%
Times Interest Earned	7.3	18.2
Leverage Ratios		
Debt to Equity	4.0	2.2
Revenue to Equity	12.5	5.5
Asset Turnover	2.5	1.7
Fixed Asset Ratio	21.0%	18.7%
Equity to G & A Expenses	0.8	2.1
Underbillings to Equity	16.3%	35.3%
Average Backlog to Equity	9.0	18.1
Average Backlog to Working Capital	9.4	46.3
Average Months in Backlog	8.6	8.9
Efficiency Ratios		
Days in Accounts Receivable	48.7	49.8
Days in Inventory	64.3	59.5
Days in Accounts Payable	59.8	49.8
Operating Cycle	67.3	77.2

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SINGLE FAMILY AND RESIDENTIAL CONTRACTORS
OVER $50 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$9,116,599	5.1%	$5,161,576	11.2%
Marketable securities and short-term investments	0	0.0	1,909,301	4.1
Receivables:				
Contract receivables currently due	0	0.0	4,810,720	10.4
Retainages on contracts	0	0.0	43,666	0.1
Unbilled work	0	0.0	N/A	N/A
Other receivables	9,696,287	5.4	358,941	0.8
Less allowance for doubtful accounts	(42,868)	0.0	(51,277)	0.1
Total receivables, net	9,653,419	5.4	5,162,050	11.2
Inventories	77,854,280	43.3	22,029,788	47.7
Costs and recognized earnings in excess of billings on uncompleted contracts	0	0.0	675,418	1.5
Investments in construction joint ventures	13,321,539	7.4	8,813	0.0
Other current assets	474,000	0.3	574,928	1.2
Total current assets	110,419,837	61.5	35,521,874	76.9
Property, plant and equipment	80,249,226	44.7	11,006,208	23.8
Less accumulated depreciation	(13,917,668)	7.7	(1,191,195)	2.6
Property, plant and equipment, net	66,331,558	36.9	9,815,014	21.2
Other assets	2,864,292	1.6	754,336	1.6
Intangible assets	0	0.0	107,781	0.2
Total assets	$179,615,687	100.0%	$46,199,005	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$27,854,580	15.5%	$8,732,812	18.9%
Accounts payable				
Trade, including currently due subcontracts	2,256,932	1.3	4,056,592	8.8
Subcontractor retainages	0	0.0	267,711	0.6
Other	0	0.0	94,079	0.2
Total accounts payable	2,256,932	1.3	4,420,382	9.6
Accrued expenses	6,989,718	3.9	493,529	1.1
Billings in excess of costs and recognized earnings on uncompleted contracts	3,395,764	1.9	317,135	0.7
Income taxes				
Current	0	0.0	137,057	0.3
Deferred	0	0.0	552,656	1.2
Total income taxes	0	0.0	689,713	1.5
Other current liabilities	447,591	0.2	3,498,042	7.6
Total current liabilities	40,944,582	22.8	18,151,614	39.3
Long-term debt, excluding current portion	51,103,758	28.5	15,917,179	34.5
Deferred income taxes	10,944,526	6.1	494,453	1.1
Other	0	0.0	117,273	0.3
Minority interests	4,815,322	2.7	586,011	1.3
Total liabilities	107,808,188	60.0	35,266,530	76.3
Net worth				
Stock, par value	3,736,922	2.1	114,268	0.2
Additional paid-in capital	3,503,199	2.0	324,839	0.7
Retained earnings	64,567,360	35.9	10,855,915	23.5
Treasury stock	0	0.0	(362,648)	0.8
Total net worth	71,807,489	40.0	10,932,475	23.7
Total liabilities and net worth	$179,615,687	100.0%	$46,199,005	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$30,886,140	20.1%	$65,246,118	81.4%
Other revenue	123,014,333	79.9	14,908,600	18.6
Total revenue	153,900,474	100.0	80,154,718	100.0
Contract cost	(20,231,247)	13.1	(50,904,743)	63.5
Other cost	(79,423,333)	51.6	(12,286,200)	15.3
Total cost	(99,654,581)	64.8	(63,190,943)	78.8
Gross Profit	54,245,893	35.2	16,963,775	21.2
Selling, general and administrative expenses	(17,381,514)	11.3	(7,902,618)	9.9
Interest income	1,626,850	1.1	N/A	N/A
Interest expense	(3,046,385)	2.0	N/A	N/A
Other income (expense), net	(9,435,721)	6.1	(145,376)	0.2
Net earnings (loss) before taxes	26,009,123	16.9	8,915,781	11.1
Income taxes	(2,141,966)	1.4	(173,100)	0.2
Net earnings (loss)	$23,867,157	15.5%	$8,742,681	10.9%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	3
1989	5

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	2.7	2.0
Quick Ratio	0.5	0.7
Days of Cash	21.3	23.2
Work Cap. Turnover	2.2	4.6
Profitability Ratios		
Return on Assets	13.3%	18.9%
Return on Equity	33.2%	80.0%
Times Interest Earned	9.5	6.9
Leverage Ratios		
Debt to Equity	1.5	3.2
Revenue to Equity	2.1	7.3
Asset Turnover	0.9	1.7
Fixed Asset Ratio	82.4%	89.8%
Equity to G & A Expenses	4.1	1.4
Underbillings to Equity	0.0%	6.2%
Average Backlog to Equity	0.0	13.1
Average Backlog to Working Capital	0.0	6.7
Average Months in Backlog	0.0	7.1
Efficiency Ratios		
Days in Accounts Receivable	22.6	23.2
Days in Inventory	281.2	125.5
Days in Accounts Payable	8.2	25.2
Operating Cycle	317.0	146.7

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SPECIALTY TRADE CONTRACTORS

SPECIALTY TRADES CONTRACTORS

Foreword

Of the 795 survey respondents, 235 or 30% represented Specialty Trades contractors. The Specialty Trades contractor classification represents the second largest number of companies in the survey. This group of contractors include all contractors performing work in seventeen different SIC codes. The individual SIC codes included are as follows:

Code	Description	Code	Description
1711	Plumbing, heating, air conditioning	1761	Roofing and sheet metal work
1721	Painting, paper hanging, decorating	1771	Concrete work
1731	Electrical work	1781	Water well drilling
1741	Masonry and other stonework	1791	Structural steel erection
1742	Plastering, drywall and insulation	1793	Glass and glazing work
1743	Terrazzo, tile, marble, mosaic work	1794	Excavating and foundation work
1751	Carpentry	1795	Wrecking and demolition work
1752	Floor laying and floor work	1796	Installing building equipment
		1799	Special Trade Contractors

TABLE OF CONTENTS PAGE

CORPORATE PROFILE OF SPECIALTY CONTRACTORS

Legal Form of Business 148
Ownership of Business 148
Type of Contractor 148
Role of Contractor 149
Union/Open Shop Contractor 149
Location of Work 149
Source of Work 150
Longevity 150
Employee Benefits 150
Bonded Work 154
Self-Insurance 153
Types of Retainage 153
Cash Management 154
Substance Abuse Testing 155
Other Characteristics 156
Opinions 157

ACCOUNTING POLICIES AND METHODS

Contract Revenue Recognition Policies 158
Investments in Joint Ventures 160
Depreciation Methods 160
Inventory Valuation Methods 160

FINANCIAL DATA

Selected Financial Data 161
Composite Financial Data 162
Selected Regional Financial Data 163
Regional Financial Data 164
Selected Size Financial Data 170
Size Financial Data 171

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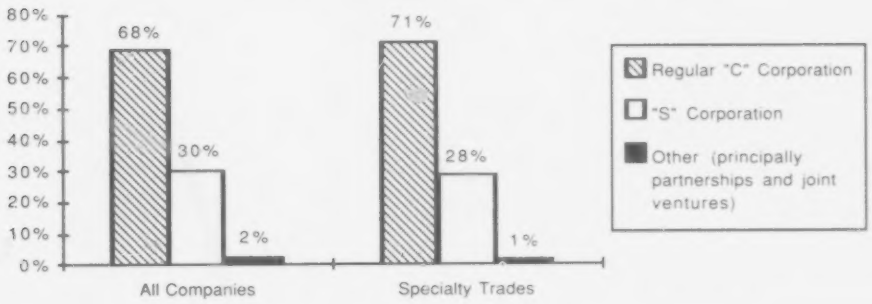
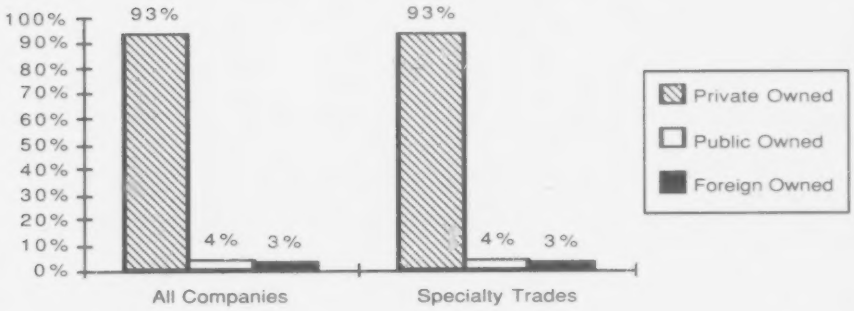
CORPORATE PROFILE

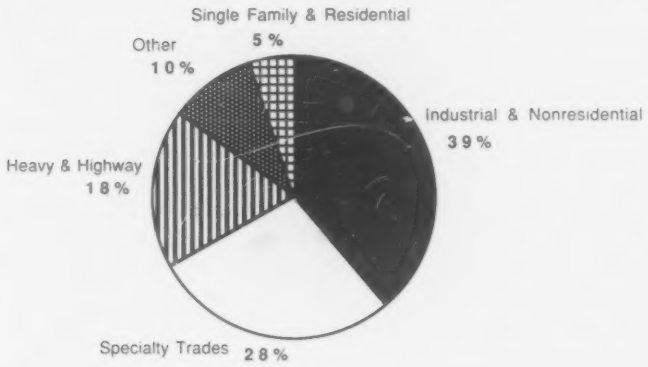
Legal Form of Business



Ownership of Business



Type of Contractor



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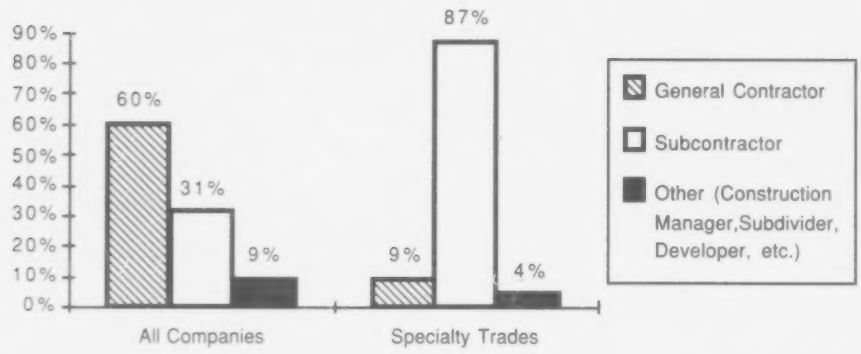
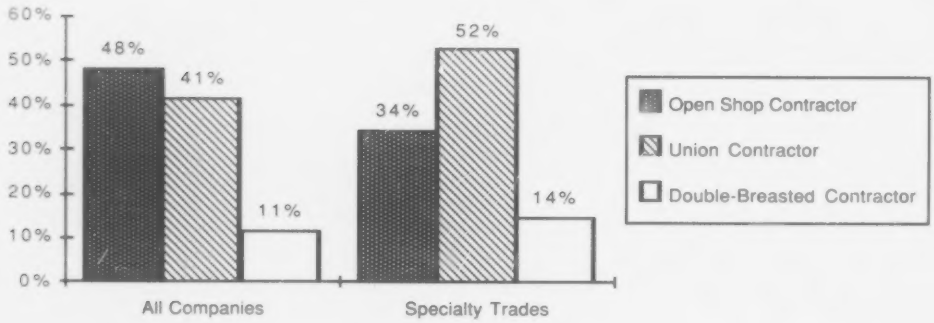
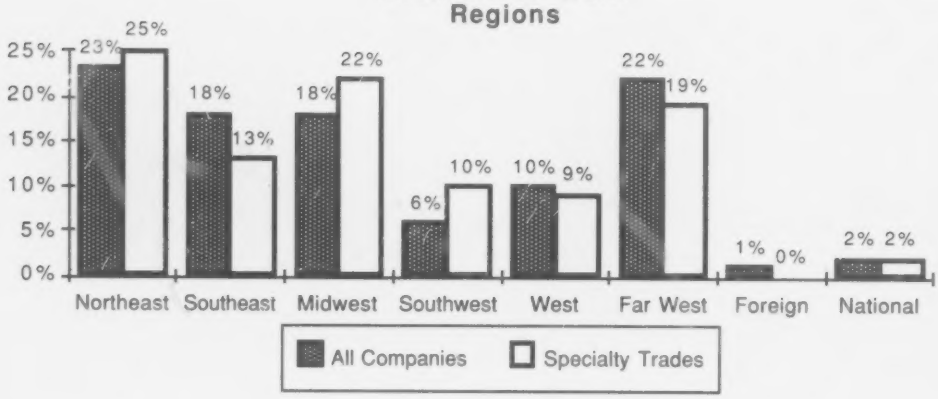
Role of Contractor



Union/Open Shop Contractors



Location of Work Regions



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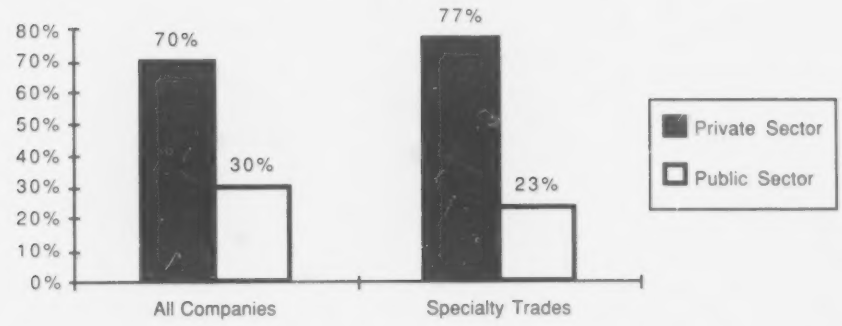
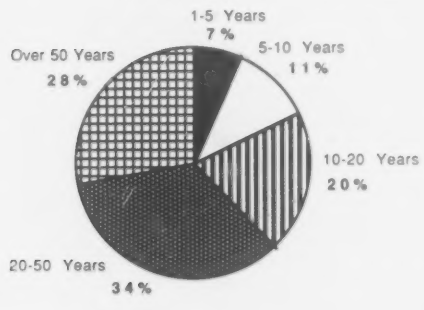
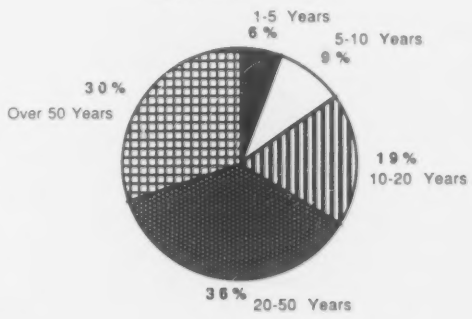
Source of Work



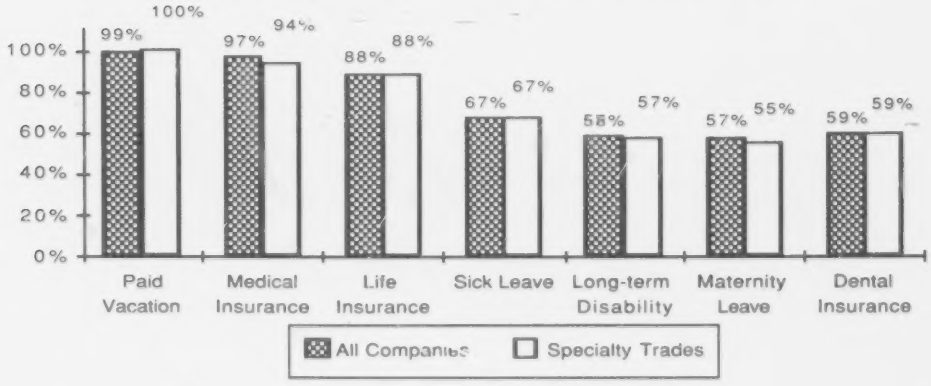
Longevity of Business
All Companies



Longevity of Business
Specialty Trades



Most Common Employee Benefits
(Percentage of Salaried Employees Having Benefit)



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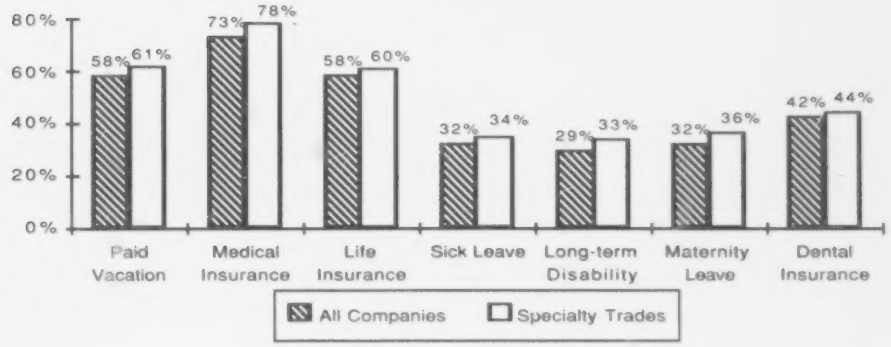
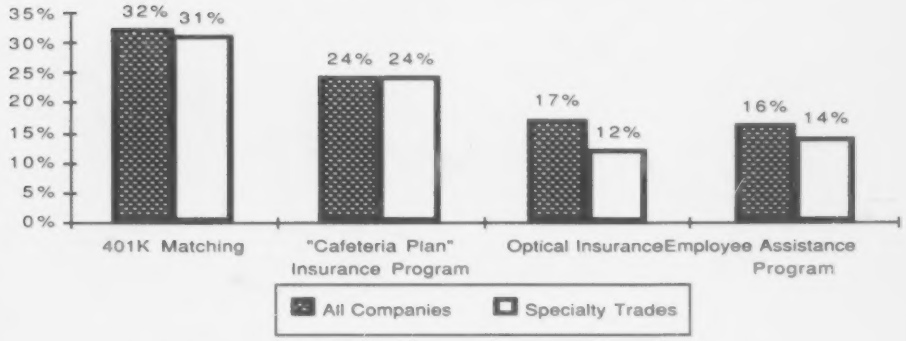
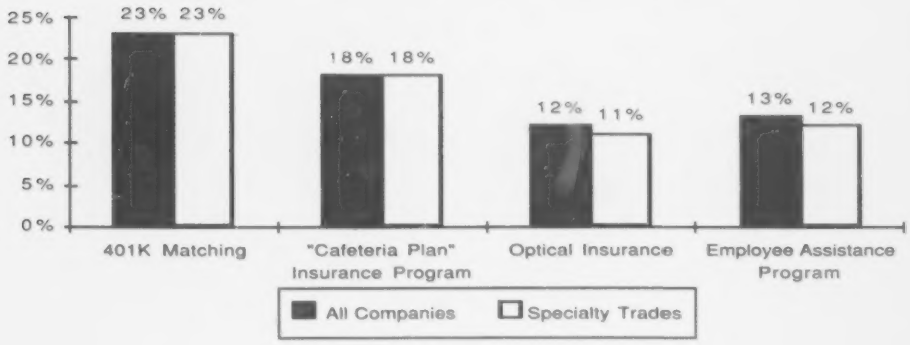
Most Common Employee Benefits
(Percentage of Hourly Employees Having Benefit)



Least Common Employee Benefits
(Percentage of Salaried Employees Having Benefit)



Least Common Employee Benefits
(Percentage of Hourly Employees Having Benefit)



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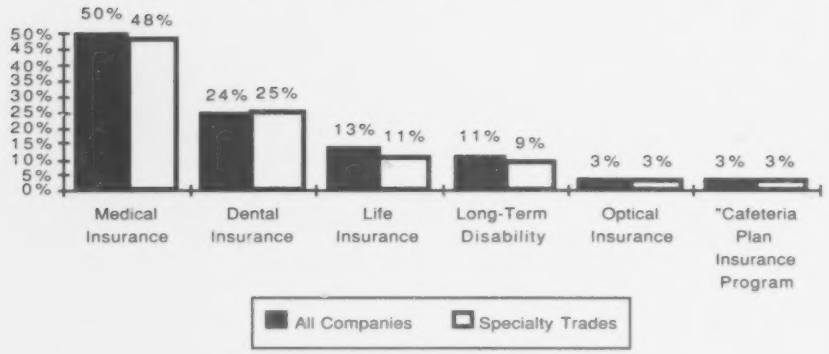
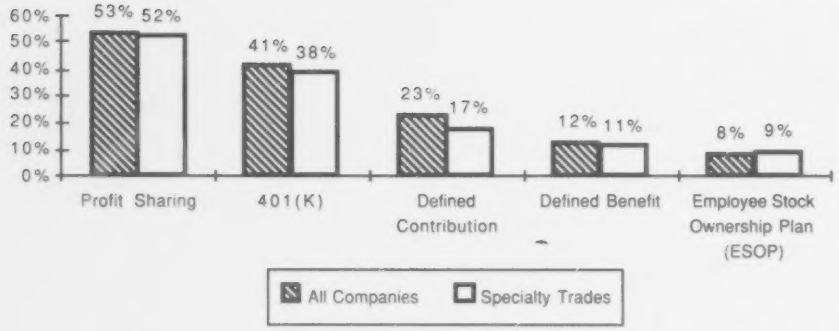
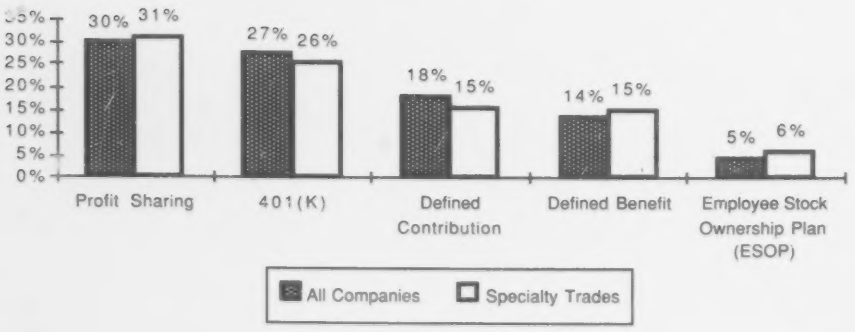
Employee Pays a Portion of Benefits



Employee Benefit Plans
(Salaried Employees)



Employee Benefit Plans
(Hourly Employees)



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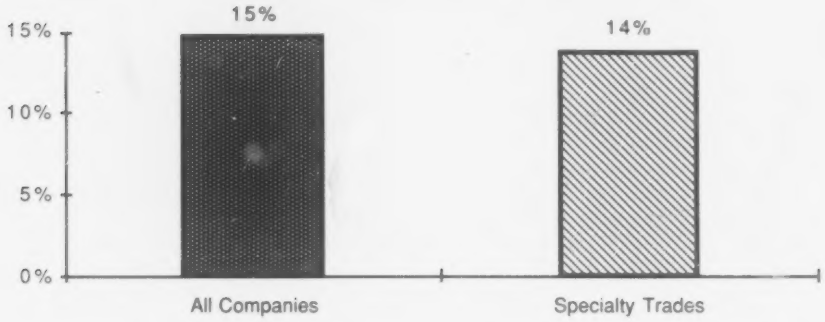
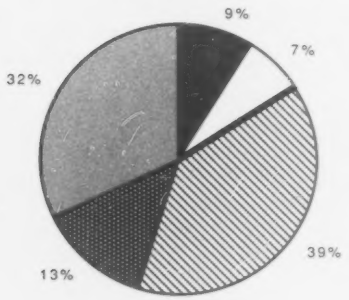
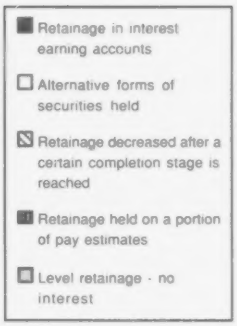
Companies which are Self-Insured



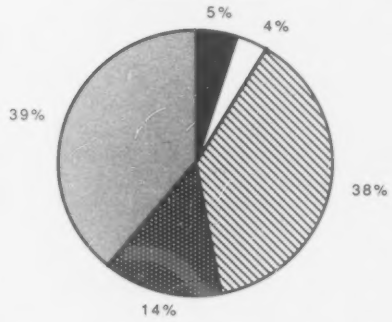
Areas of Self-Insurance
(For Companies which are Self-Insured)

Types of Contract Retainage
All Companies




Retainage in interest earning accounts
Alternative forms of securities held
Retainage decreased after a certain completion stage is reached
Retainage held on a portion of pay estimates
Level retainage - no interest

Types of Contract Retainage
Specialty Trades



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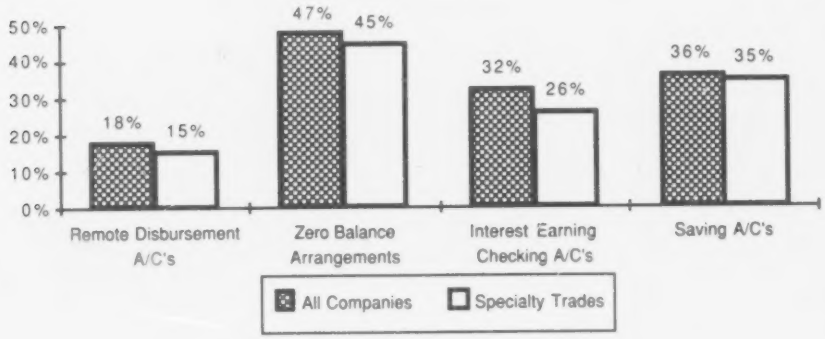
Look-back Method of Interest Computation for Completed Long-term Contracts

	All Companies	Specialty Trades
Average man hours incurred complying with the rule	40	25
Average additional outside tax consulting fees paid	$1,982	$1,814
Average amount to (from) IRS reported on Form 8697	$4,577	$4,299

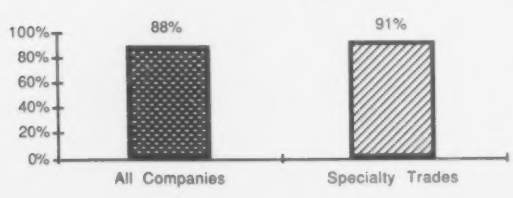
Cash Management



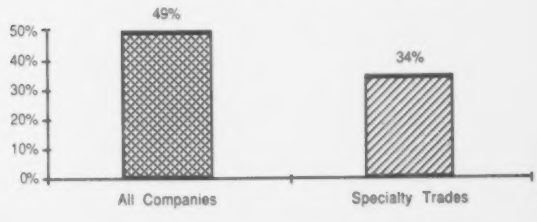
Bonuses

	Bonus Determined by:			
Applicable to:	Discretionary	Goal Attainment	Formula	Other
Corporate Executives	67%	9%	23%	1%
Project Managers	64%	15%	20%	1%
Project Superintendent	64%	14%	21%	1%
Estimators	71%	9%	19%	1%

Percentage of Companies that Perform Bonded Work



Percentage of Contract Revenue that is Bonded (For Companies that Perform Bonded Work)



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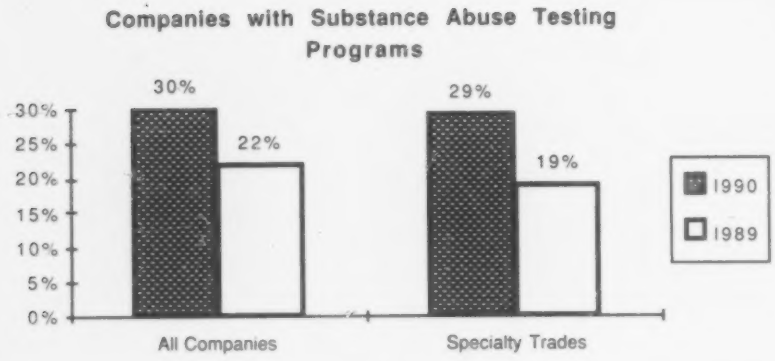

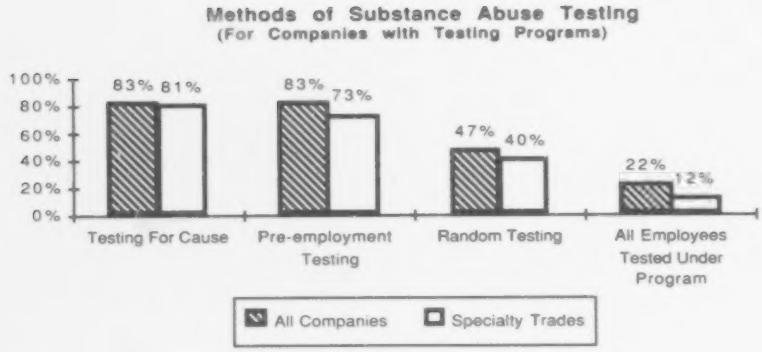

STAFFING

	Weighted Average Number of Employees
Corporate Executives	4
Construction Management	12
Construction Field Employees	256
Engineering and estimating	11
Accounting and Finance	7
Data Processing	2
Human Resources	1
Legal	0
Maintenance and Repair Shop	4
Marketing and Business Development	1
Internal Audit	0
All Others	17
Total employees	314

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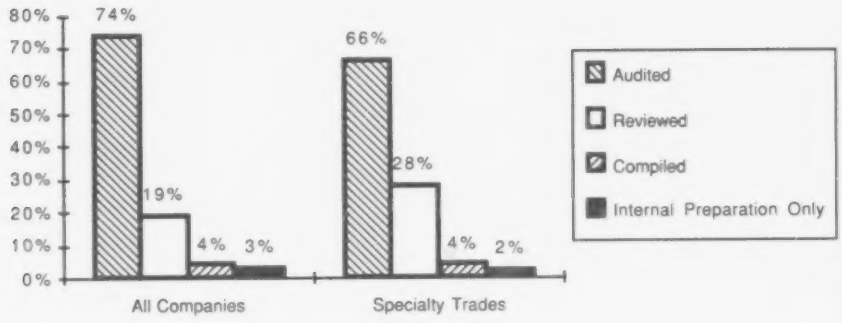
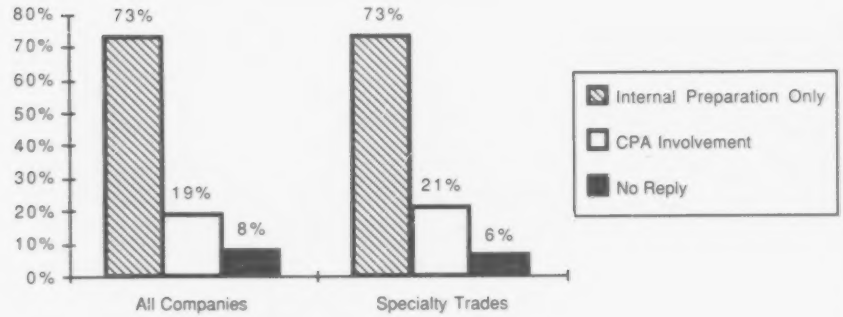
CORPORATE FINANCIAL STATEMENTS

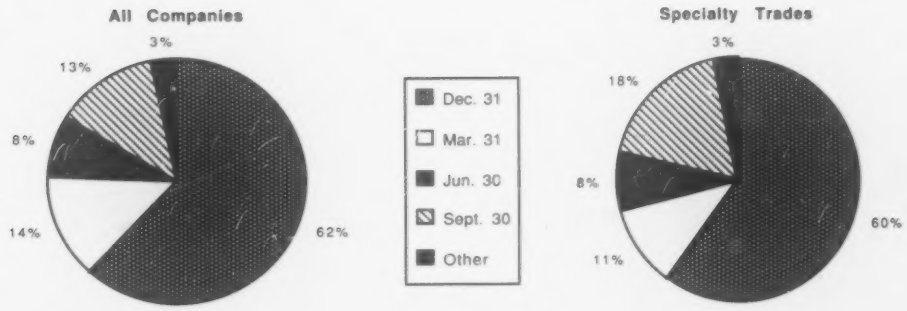
Annual Financial Statements



Interim Financial Statements



Corporate Fiscal Year-End



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OPINIONS

Top Five Areas of Most Challenge in the Next Five Years

	Percent of Companies Selecting Area
Insurance (Workers comp., medical, life, etc.)	80%
Manpower Needs	40%
Litigation	31%
Federal Tax Legislation	30%
Surety Bonds	26%

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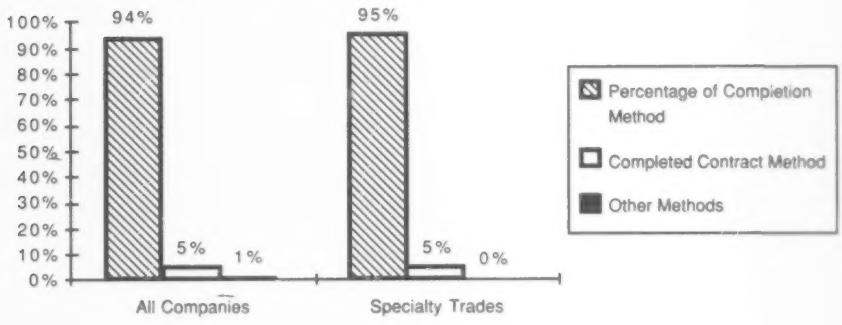
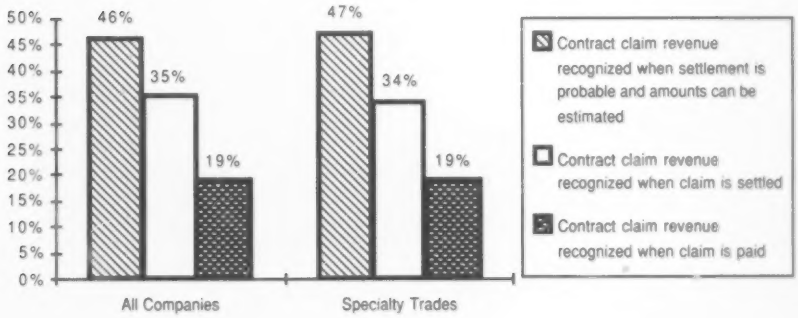
ACCOUNTING POLICIES AND PROCEDURES

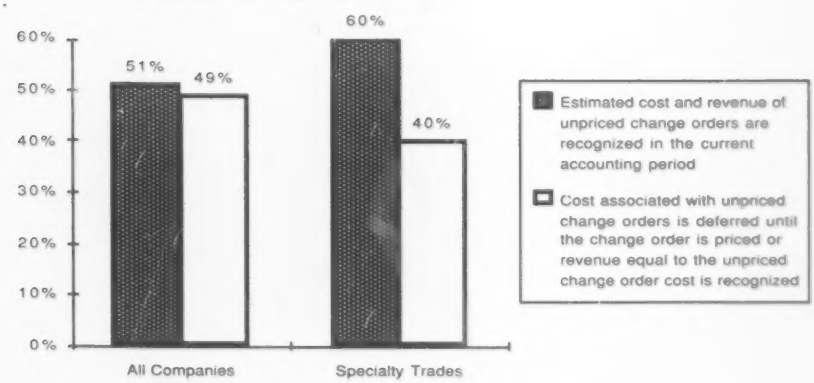
Contract Revenue Recognition



Contract Claim Revenue Recognition



Unpriced Change Order Cost



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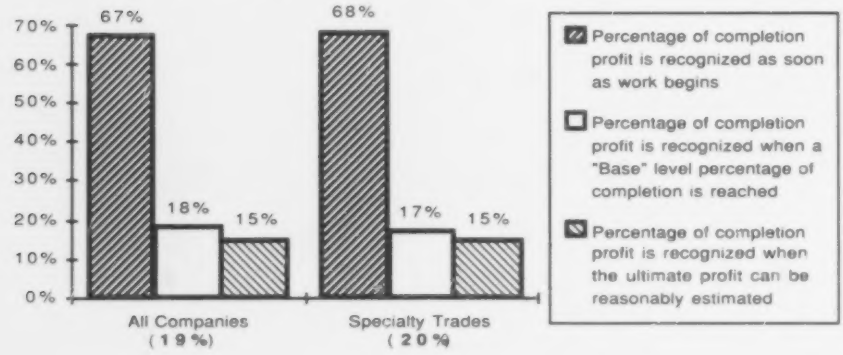
Profit Recognition Practices



The percentages below the names represent the average "base" level of percentage completion at which contract profit recognition begins for those companies using such accounting policy.

Types of Contracts

Type of Contract	Percent of Work Performed	
	All Companies	Specialty Trades
Fixed Price	58%	76%
Cost Plus-Guaranteed Maximum	12%	3%
Unit Price	11%	4%
Time and Materials	9%	12%
Cost Plus	7%	4%
Construction Management	3%	0%
Others	1%	1%
Total	100%	100%

LENGTH OF CONTRACT

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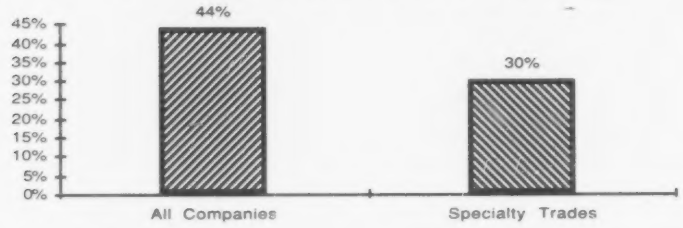
Percentage of Companies Participating in Joint Ventures in the Past Twelve Month:



Investments in Joint Ventures

Accounting Method	Percentage of Each Method Used	
	All Companies	Specialty Trades
Equity Method	51%	46%
Full Consoloidation	14%	17%
Part Equity/Part Consolidation	11%	7%
Proportionate Consolidation	8%	10%
Cost Method	12%	13%
Expandeo Equity Method	1%	0%
Other	3%	7%
Total	100%	100%

Depreciation Methods

	Percentage of Each Method Used			
	Straight Line		Accelerated Methods	
Category	All Companies	Specialty Trades	All Companies	Specialty Trades
Buildings	84%	83%	16%	17%
Office Equipment & Furniture	66%	67%	34%	33%
Construction Equipment	66%	65%	34%	35%
Automotive Equipment	66%	66%	34%	35%
Land Improvements	81%	79%	19%	21%
Other	75%	74%	25%	26%

Inventory Valuation Methods

Method	Percentage of Each Method Used	
	All Companies	Specialty Trades
FIFO	43%	49%
Specific Identification	21%	11%
Average Cost	24%	26%
LIFO	9%	11%
Other Methods	3%	3%
Total	100%	100%

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SELECTED FINANCIAL DATA

Specialty Trades Contractors

	All Companies	Specialty Trades
Number of Companies	695	213
Assets	$25,141	12,520
Liabilities	17,477	8,415
Net Worth	7,664	4,105
% Net Worth to Assets	30.5	32.8
Revenues	66,568	31,876
Gross Profit	5,951	5,219
% Gross Profit	8.9	16.4
G&A Expenses	4,558	4,341
% to Revenue	6.8	13.6
Net Income	962	253
% Net Income	1.4	0.8
Current Ratio	1.4	1.5
Return on Assets (%)	3.8	2.0
Return on Equity (%)	12.6	6.2

Note: All $ Amounts are in Thousands.

Discussion and Analysis

The number of responses for the Specialty Trades Contractors increased substantially from 163 in 1989 to 213 in 1990. As would be expected, the Specialty Trades contractors represent generally smaller companies than the overall composite for all companies. Total assets and revenues for the Specialty Trades classification are approximately 50% of the overall composite for all companies. Net income percentage (.8%) is approximately one half the overall net income percentage (1.4%). This lower level of net earnings is reflected in lower average rates of return on assets and equity.

The net worth to assets percentage (32.8%) for Specialty Trades Contractors is higher than the overall percentage for all companies (30.5%). This percentage has increased by approximately 12% from 1989.

Current assets of the Special Trades contractors represent 79.8% of total assets.

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SPECIALTY TRADES CONTRACTORS
COMPOSITE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$742,145	5.9%	$1,035,178	8.3%
Marketable securities and short-term investments	146,137	1.2	74,903	0.6
Receivables:				
Contract receivables currently due	5,330,361	42.6	6,820,742	54.5
Retainages on contracts	1,438,317	11.5	1,414,918	11.3
Unbilled work	363,747	2.9	N/A	N/A
Other receivables	187,006	1.5	485,192	3.9
Less allowance for doubtful accounts	(84,762)	0.7	(92,690)	0.7
Total receivables, net	7,234,669	57.8	8,628,163	68.9
Inventories	540,151	4.3	332,212	2.7
Costs and recognized earnings in excess of billings on uncompleted contracts	885,407	7.1	831,087	6.6
Investments in construction joint ventures	60,341	0.5	121,691	1.0
Other current assets	379,867	3.0	578,161	4.6
Total current assets	9,988,717	79.8	11,601,394	92.7
Property, plant and equipment	3,590,071	28.7	3,770,035	30.1
Less accumulated depreciation	(1,979,565)	15.8	(2,080,258)	16.6
Property, plant and equipment, net	1,610,505	12.9	1,689,777	13.5
Other assets	577,664	4.6	529,915	4.2
Intangible assets	343,435	2.7	42,512	0.3
Total assets	$12,520,321	100.0%	$13,863,597	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$533,552	4.3%	$691,364	5.0%
Accounts payable				
Trade, including currently due subcontractors	2,346,315	18.7	2,909,479	21.0
Subcontractor retainages	135,072	1.1	74,330	0.5
Other	220,808	1.8	65,662	0.5
Total accounts payable	2,702,195	21.6	3,049,671	22.0
Accrued expenses	1,137,294	9.1	992,529	7.2
Billings in excess of costs and recognized earnings on uncompleted contracts	1,207,090	9.6	1,508,016	10.9
Income taxes				
Current	80,815	0.6	171,655	1.2
Deferred	157,163	1.3	252,378	1.8
Total income taxes	237,978	1.9	424,033	3.1
Other current liabilities	671,379	7.0	1,438,183	10.4
Total current liabilities	6,689,488	53.4	8,103,798	58.5
Long-term debt, excluding current portion	1,218,185	9.7	1,994,509	14.4
Deferred income taxes	101,725	0.8	281,825	2.0
Other	391,610	3.1	140,141	1.0
Minority interests	14,472	0.1	72,498	0.5
Total liabilities	8,415,481	67.2	10,591,970	76.4
Net worth				
Stock, par value	625,958	5.0	501,825	3.6
Additional paid-in capital	843,134	6.7	437,136	3.2
Retained earnings	2,937,840	23.5	2,675,258	19.3
Treasury stock	(302,091)	2.4	(342,751)	2.5
Total net worth	4,104,841	32.8	3,271,627	23.6
Total liabilities and net worth	$12,520,321	100.0%	$13,863,597	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$31,393,304	98.5%	$35,680,627	98.1%
Other revenue	482,463	1.5	681,884	1.9
Total revenue	31,875,766	100.0	36,362,511	100.0
Contract cost	(26,128,300)	82.0	(30,880,558)	84.9
Other cost	(528,319)	1.7	(407,914)	1.1
Total cost	(26,656,619)	83.6	(31,288,472)	86.0
Gross Profit	5,219,148	16.4	5,074,040	14.0
Selling, general and administrative expenses	(4,341,095)	13.6	(4,312,045)	11.9
Interest income	75,692	0.2	N/A	N/A
Interest expense	(406,303)	1.3	N/A	N/A
Other income (expense), net	(54,163)	0.2	(347,271)	1.0
Net earnings (loss) before taxes	493,279	1.5	414,724	1.1
Income taxes	(240,072)	0.8	(245,574)	0.7
Net earnings (loss)	253,207	0.8%	$169,150	0.5%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	213
1989	163

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.5	1.4
Quick Ratio	1.2	1.2
Days of Cash	8.4	10.2
Work. Cap. Turnover	9.7	10.4
Profitability Ratios		
Return on Assets	2.0%	1.4%
Return on Equity	6.2%	5.2%
Times Interest Earned	2.2	9.8
Leverage Ratios		
Debt to Equity	2.1	3.2
Revenue to Equity	7.8	11.1
Asset Turnover	2.5	2.9
Fixed Asset Ratio	39.2%	51.6%
Equity to G & A Expenses	0.9	0.8
Underbillings to Equity	30.4%	25.4%
Average Backlog to Equity	4.5	5.8
Average Backlog to Working Capital	5.6	5.9
Average Months in Backlog	7.0	5.9
Efficiency Ratios		
Days in Accounts Receivable	81.7	85.4
Days in Inventory	7.3	3.8
Days in Accounts Payable	36.5	35.1
Operating Cycle	60.9	64.4

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SELECTED REGIONAL FINANCIAL DATA

Specialty Trades Contractors

	All Companies	Regions					
		NE	SE	MW	SW	W	FW
Number of Companies	213	53	30	51	24	18	45
Assets	$12,520	14,685	9,222	8,223	8,117	4,088	12,827
Liabilities	8,415	9,733	4,812	5,223	5,231	2,430	8,304
Net Worth	4,105	4,952	4,410	3,001	2,886	1,659	4,523
% Net Worth to Assets	32.8	33.7	47.8	36.5	35.6	40.6	35.3
Revenues	31,876	37,210	28,008	23,985	20,899	11,217	29,973
Gross Profit	5,219	5,689	5,910	3,291	5,241	6,047	4,317
% Gross Profit	16.4	15.3	21.1	13.7	25.1	53.9	14.4
G&A Expenses	4,341	4,337	5,292	2,673	4,937	5,291	2,872
% to Revenue	13.6	11.7	18.9	11.1	23.6	47.2	9.6
Net Income	253	539	700	443	-50	330	957
% Net Income	0.8	1.4	2.5	1.8	0.2	2.9	3.2
Current Ratio	1.5	1.7	1.7	1.6	1.6	1.7	1.6
Return on Assets (%)	2.0	3.7	7.6	5.4	-0.6	8.1	7.5
Return on Equity (%)	6.2	10.9	15.9	14.8	-1.7	19.9	21.2

Note: All $ amounts are in thousands

Discussion and Analysis

The Northeast, Midwest and Farwest regions comprise three quarters of the Specialty Trades contractors participating in the survey. The Northeast region has the highest asset balance ($14 million) and the highest revenues ($37 million). Although fewer companies responded in the West region, the gross profit is extremely high at 53.9%, however, this is equally offset by a G & A expense percentage of 47.2%.

The net income percentage of 3.2% reported by the Farwest respondents is over triple the composite. The Farwest also has the highest return on equity (21.2%).

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SPECIALTY TRADES CONTRACTORS
NORTHEAST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$989,399	6.7%	$1,817,000	9.2%
Marketable securities and short term investments	102,315	0.7	90,572	0.5
Receivables:				
Contract receivables currently due	6,421,236	43.7	8,877,880	45.2
Retainages on contracts	1,257,390	8.6	1,793,751	9.1
Unbilled work	1,034,076	7.0	N/A	N/A
Other receivables	131,757	0.9	1,055,728	5.4
Less allowance for doubtful accounts	(98,880)	0.7	(203,318)	1.0
Total receivables, net	8,745,580	59.6	11,524,042	58.6
Inventories	370,764	2.5	498,314	2.5
Costs and recognized earnings in excess of billings on uncompleted contracts	568,278	3.9	1,257,561	6.4
Investments in construction joint ventures	76,680	0.5	157,499	0.8
Other current assets	459,127	3.1	690,348	3.5
Total current assets	11,312,144	77.0	16,035,336	81.6
Property, plant and equipment	4,568,145	31.1	6,809,133	34.6
Less accumulated depreciation	(2,399,953)	16.3	(3,862,392)	19.6
Property, plant and equipment, net	2,168,192	14.8	2,946,741	15.0
Other assets	319,372	2.2	639,151	3.3
Intangible assets	885,329	6.0	41,164	0.2
Total assets	$14,685,038	100.0%	$19,562,392	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long term debt	$774,907	5.3%	$1,039,927	5.3%
Accounts payable				
Trade, including currently due subcontractors	2,352,806	16.0	3,578,149	18.2
Subcontractor retainages	46,138	0.3	62,062	0.3
Other	56,184	0.4	69,970	0.4
Total accounts payable	2,455,128	16.7	3,709,201	18.9
Accrued expenses	1,516,004	10.3	1,701,319	8.7
Billings in excess of costs and recognized earnings on uncompleted contracts	1,004,462	6.8	2,208,785	11.2
Income taxes				
Current	141,113	1.0	278,093	1.4
Deferred	207,576	1.4	435,712	2.2
Total income taxes	348,689	2.4	713,806	3.6
Other current liabilities	660,752	4.5	1,002,413	5.1
Total current liabilities	6,761,942	46.0	10,375,450	52.8
Long term debt, excluding current portion	2,361,248	16.1	3,002,740	15.3
Deferred income taxes	207,663	1.4	273,838	1.4
Other	365,648	2.5	1,120,109	5.7
Minority interests	36,259	0.2	158,983	0.8
Total liabilities	9,732,758	66.3	14,931,120	75.9
Net worth				
Stock, par value	1,268,134	8.6	591,615	3.0
Additional paid in capital	$15,389	3.5	752,635	3.8
Retained earnings	3,732,721	25.4	4,046,489	20.6
Treasury stock	(563,965)	3.8	(659,667)	3.4
Total net worth	4,952,280	33.7	4,731,272	24.1
Total liabilities and net worth	$14,685,038	100.0%	$19,562,392	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$36,456,918	98.0%	$49,277,372	98.7%
Other revenue	752,682	2.0	662,942	1.3
Total revenue	37,209,601	100.0	49,940,314	100.0
Contract cost	(30,700,142)	82.5	(41,837,516)	83.8
Other cost	(820,520)	2.2	(227,607)	0.5
Total cost	(31,520,662)	84.7	(42,065,123)	84.2
Gross Profit	5,688,939	15.3	7,875,190	15.8
Selling, general and administrative expenses	(4,336,803)	11.7	(6,047,246)	12.1
Interest income	120,485	0.3	N/A	N/A
Interest expense	(421,303)	1.1	N/A	N/A
Other income (expense), net	(231,467)	0.6	(967,405)	1.9
Net earnings (loss) before taxes	819,851	2.2	860,540	1.7
Income taxes	(281,041)	0.8	(662,649)	1.3
Net earnings (loss)	$538,810	1.4%	$197,890	0.4%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	53
1989	53

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.7	1.5
Quick Ratio	1.5	1.3
Days of Cash	9.6	13.1
Work. Cap. Turnover	8.2	8.8
Profitability Ratios		
Return on Assets	3.7%	1.0%
Return on Equity	10.9%	4.2%
Times Interest Earned	2.9	8.9
Leverage Ratios		
Debt to Equity	2.0	3.2
Revenue to Equity	7.5	10.6
Asset Turnover	2.5	2.5
Fixed Asset Ratio	43.8%	62.3%
Equity to G & A Expenses	1.1	0.8
Underbillings to Equity	32.4%	26.6%
Average Backlog to Equity	3.8	3.5
Average Backlog to Working Capital	4.1	5.9
Average Months in Backlog	6.1	6.4
Efficiency Ratios		
Days in Accounts Receivable	84.6	83.1
Days in Inventory	4.2	4.3
Days in Accounts Payable	28.0	31.7
Operating Cycle	70.4	68.7

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SPECIALTY TRADES CONTRACTORS
SOUTHEAST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$940,568	10.2%	$856,054	10.7%
Marketable securities and short term investments	241,704	2.6	47,480	0.6
Receivables:				
Contract receivables currently due	4,840,610	52.5	3,681,110	46.0
Retainages on contracts	444,778	4.8	893,809	11.2
Unbilled work	61,711	0.7	N/A	N/A
Other receivables	235,461	2.6	60,000	0.7
Less allowance for doubtful accounts	(66,730)	0.7	(16,659)	0.2
Total receivables, net	5,515,830	59.8	4,618,259	57.7
Inventories	616,924	6.7	244,144	3.1
Costs and recognized earnings in excess of billings on uncompleted contracts	454,083	4.9	660,651	8.3
Investments in construction joint ventures	54,297	0.6	70,879	0.9
Other current assets	167,515	1.8	291,954	3.6
Total current assets	7,990,921	86.6	6,789,422	84.8
Property, plant and equipment	1,711,239	18.6	2,175,211	27.2
Less accumulated depreciation	(871,697)	9.5	(1,126,678)	14.1
Property, plant and equipment, net	839,542	9.1	1,048,533	13.1
Other assets	357,358	3.9	162,793	2.0
Intangible assets	34,437	0.4	3,492	0.0
Total assets	$9,222,258	100.0%	$8,004,239	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long term debt	$191,853	2.1%	$322,842	4.0%
Accounts payable				
Trade, including currently due subcontractors	2,061,895	22.4	1,888,604	23.6
Subcontractor retainages	74,496	0.8	90,614	1.1
Other	147,877	1.6	59,314	0.7
Total accounts payable	2,284,269	24.8	2,038,532	25.5
Accrued expenses	417,037	4.5	574,241	7.2
Billings in excess of costs and recognized earnings on uncompleted contracts	1,035,076	11.2	812,948	10.2
Income taxes				
Current	90,563	1.0	151,954	1.9
Deferred	212,642	2.3	240,562	3.0
Total income taxes	303,235	3.3	392,516	4.9
Other current liabilities	347,633	3.8	267,198	3.3
Total current liabilities	4,579,102	49.7	4,408,278	55.1
Long term debt, excluding current portion	200,709	2.2	838,315	10.5
Deferred income taxes	24,950	0.3	62,853	0.8
Other	5,141	0.1	39,543	0.5
Minority interests	2,138	0.0	21,295	0.3
Total liabilities	4,812,109	52.2	5,370,284	67.1
Net worth				
Stock, par value	148,116	1.6	438,524	5.5
Additional paid in capital	1,117,613	12.1	188,274	2.4
Retained earnings	3,306,358	35.9	2,244,395	28.0
Treasury stock	(161,938)	1.8	(237,238)	4.0
Total net worth	4,410,149	47.8	2,633,955	32.9
Total liabilities and net worth	$9,222,258	100.0%	$8,004,239	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$27,540,347	98.3%	$23,173,593	98.0%
Other revenue	468,151	1.7	473,460	2.0
Total revenue	28,008,498	100.0	23,647,052	100.0
Contract cost	(21,677,233)	77.4	(20,405,880)	86.3
Other cost	(421,034)	1.5	(387,976)	1.6
Total cost	(22,098,267)	78.9	(20,793,856)	87.9
Gross Profit	5,910,231	21.1	2,853,197	12.1
Selling, general and administrative expenses	(5,291,954)	18.9	(2,129,135)	9.0
Interest income	161,162	0.6	N/A	N/A
Interest expense	(130,104)	0.5	N/A	N/A
Other income (expense), net	636,339	2.3	21,460	0.1
Net earnings (loss) before taxes	1,285,674	4.6	745,522	3.2
Income taxes	(585,519)	2.1	(224,064)	0.9
Net earnings (loss)	$700,154	2.5%	$521,458	2.2%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	30
1989	28

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.7	1.5
Quick Ratio	1.5	1.3
Days of Cash	12.1	13.0
Work Cap. Turnover	8.2	9.9
Profitability Ratios		
Return on Assets	7.6%	6.5%
Return on Equity	15.9%	19.8%
Times Interest Earned	10.9	13.9
Leverage Ratios		
Debt to Equity	1.1	2.0
Revenue to Equity	6.4	9.0
Asset Turnover	3.0	3.0
Fixed Asset Ratio	19.0%	39.0%
Equity to G & A Expenses	0.8	1.2
Underbillings to Equity	11.7%	25.1%
Average Backlog to Equity	4.0	2.3
Average Backlog to Working Capital	5.2	2.8
Average Months in Backlog	7.6	4.4
Efficiency Ratios		
Days in Accounts Receivable	70.8	70.3
Days in Inventory	10.1	4.2
Days in Accounts Payable	37.2	35.3
Operating Cycle	55.8	52.3

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BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$416,255	5.1%	$924,584	9.5%
Marketable securities and short-term investments	176,072	2.1	45,798	0.5
Receivables:				
Contract receivables currently due	4,091,036	49.7	5,161,139	52.8
Retainages on contracts	856,754	10.4	823,330	8.4
Unbilled work	69,463	0.8	N/A	N/A
Other receivables	121,840	1.5	250,925	2.6
Less allowance for doubtful accounts	(37,606)	0.5	(41,972)	0.4
Total receivables, net	5,101,486	62.0	6,193,422	63.4
Inventories	324,295	3.9	330,620	3.4
Costs and recognized earnings in excess of billings on uncompleted contracts	651,253	7.9	875,713	9.0
Investments in construction joint ventures	24,250	0.3	7,487	0.1
Other current assets	134,261	1.6	227,251	2.3
Total current assets	6,827,873	83.0	8,604,876	88.1
Property, plant and equipment	2,323,293	28.3	2,554,154	26.1
Less accumulated depreciation	(1,132,325)	13.8	(1,563,090)	16.0
Property, plant and equipment, net	1,190,968	14.5	991,064	10.1
Other assets	189,224	2.3	170,654	1.7
Intangible assets	15,385	0.2	3,640	0.0
Total assets	$8,223,450	100.0%	$9,770,234	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$390,690	4.8%	$542,853	5.6%
Accounts payable				
Trade, including currently due subcontractors	1,628,418	19.8	2,040,107	20.9
Subcontractor retainages	149,614	1.8	149,005	1.5
Other	159,360	1.9	79,488	0.8
Total accounts payable	1,937,392	23.6	2,268,597	23.2
Accrued expenses	715,015	8.7	1,137,996	11.6
Billings in excess of costs and recognized earnings on uncompleted contracts	740,016	9.0	1,020,344	10.4
Income taxes				
Current	48,793	0.6	135,186	1.4
Deferred	36,140	0.5	179,062	1.8
Total income taxes	84,933	1.0	314,248	3.2
Other current liabilities	491,700	6.0	335,548	3.4
Total current liabilities	4,359,745	53.0	5,619,381	57.5
Long-term debt, excluding current portion	755,295	9.2	1,053,838	10.8
Deferred income taxes	45,408	0.6	74,802	0.8
Other	41,600	0.5	19,437	0.2
Minority interests	20,604	0.3	58,425	0.6
Total liabilities	5,222,732	63.5	6,826,883	69.9
Net worth				
Stock, par value	301,148	3.7	448,223	4.6
Additional paid-in capital	490,489	6.0	264,593	2.7
Retained earnings	2,406,877	29.3	2,581,023	26.5
Treasury stock	(203,795)	2.5	(358,488)	3.7
Total net worth	3,000,718	36.5	2,943,352	30.1
Total liabilities and net worth	$8,223,450	100.0%	$9,770,234	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$23,634,190	98.5%	$27,516,295	99.0%
Other revenue	350,673	1.5	275,817	1.0
Total revenue	23,984,864	100.0	27,792,112	100.0
Contract cost	(20,289,049)	84.6	(24,179,483)	87.0
Other cost	404,690	1.7	(214,361)	0.8
Total cost	(20,693,739)	86.3	(24,393,843)	87.8
Gross Profit	3,291,124	13.7	3,398,269	12.2
Selling, general and administrative expenses	(2,673,033)	11.1	(2,744,539)	9.9
Interest income	28,924	0.1	N/A	N/A
Interest expense	(143,778)	0.6	N/A	N/A
Other income (expense), net	114,386	0.5	20,410	0.1
Net earnings (loss) before taxes	617,624	2.6	674,139	2.4
Income taxes	(175,010)	0.7	(175,859)	0.6
Net earnings (loss)	$442,613	1.8%	$498,281	1.8%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	51
1989	30

Financial Ratios

	1990 Participants	1989 Participants
Liquidity Ratios		
Current Ratio	1.6	1.5
Quick Ratio	1.3	1.3
Days of Cash	6.2	12.0
Work. Cap. Turnover	9.7	9.3
Profitability Ratios		
Return on Assets	5.4%	5.1%
Return on Equity	14.8%	16.9%
Times Interest Earned	5.3	12.5
Leverage Ratios		
Debt to Equity	1.7	2.3
Revenue to Equity	8.0	9.4
Asset Turnover	2.9	2.8
Fixed Asset Ratio	39.7%	33.7%
Equity to G & A Expenses	1.1	1.1
Underbillings to Equity	24.0%	29.8%
Average Backlog to Equity	5.3	8.7
Average Backlog to Working Capital	6.5	5.1
Average Months in Backlog	8.0	5.1
Efficiency Ratios		
Days in Accounts Receivable	76.6	80.2
Days in Inventory	5.6	4.9
Days in Accounts Payable	33.7	33.5
Operating Cycle	54.8	63.6

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SPECIALTY TRADES CONTRACTORS
SOUTHWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$633,733	7.8%	$2,061,360	13.6%
Marketable securities and short-term investments	154,451	1.9	249,912	1.7
Receivables:				
Contract receivables currently due	3,250,896	40.0	5,007,632	33.1
Retainages on contracts	637,269	7.9	1,023,374	6.8
Unbilled work	236,221	2.9	N/A	N/A
Other receivables	403,962	5.0	1,058,398	7.0
Less allowance for doubtful accounts	(173,161)	2.1	(200,466)	1.3
Total receivables, net	4,355,186	53.7	6,888,938	45.5
Inventories	308,153	3.8	374,827	2.5
Costs and recognized earnings in excess of billings on uncompleted contracts	635,028	7.8	1,236,837	8.2
Investments in construction joint ventures	0	0.0	195,629	1.3
Other current assets	112,521	1.4	344,843	2.3
Total current assets	6,199,072	76.4	11,352,345	75.0
Property, plant and equipment	2,667,425	32.9	6,011,639	39.7
Less accumulated depreciation	(1,395,624)	17.2	(3,214,727)	21.2
Property, plant and equipment, net	1,271,802	15.7	2,796,912	18.5
Other assets	604,204	7.4	930,424	6.1
Intangible assets	42,312	0.5	61,782	0.4
Total assets	$8,117,389	100.0%	$15,141,463	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$665,023	8.2%	$602,198	4.0%
Accounts payable				
Trade, including currently due subcontractors	1,655,706	20.4	2,188,861	14.5
Subcontractor retainages	98,801	1.2	185,549	1.1
Other	93,753	1.2	17,666	0.1
Total accounts payable	1,848,260	22.8	2,372,076	15.7
Accrued expenses	447,706	5.5	722,105	4.8
Billings in excess of costs and recognized earnings on uncompleted contracts	635,735	7.8	1,130,360	7.5
Income taxes				
Current	20,419	0.3	90,244	0.6
Deferred	77,229	1.0	319,985	2.1
Total income taxes	97,648	1.2	410,229	2.7
Other current liabilities	172,424	2.1	577,339	3.8
Total current liabilities	3,866,797	47.6	5,814,327	38.4
Long-term debt, excluding current portion	1,250,420	15.4	2,080,807	13.7
Deferred income taxes	30,503	0.4	185,599	1.2
Other	83,489	1.0	278,529	1.8
Minority interests	0	0.0	4,802	0.0
Total liabilities	5,231,210	64.4	8,364,065	55.2
Net worth				
Stock, par value	437,829	5.4	977,294	6.5
Additional paid in capital	196,954	2.4	512,548	3.4
Retained earnings	2,661,002	32.8	5,698,804	37.6
Treasury stock	(409,606)	5.0	(411,245)	2.7
Total net worth	2,886,179	35.6	6,777,398	44.8
Total liabilities and net worth	$8,117,389	100.0%	$15,141,463	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$20,290,963	97.1%	$35,258,623	95.5%
Other revenue	607,888	2.9	1,655,153	4.5
Total revenue	20,898,851	100.0	36,913,776	100.0
Contract cost	(15,312,590)	73.3	(30,664,795)	83.1
Other cost	(345,116)	1.7	(1,013,475)	2.7
Total cost	(15,657,706)	74.9	(31,678,270)	85.8
Gross Profit	5,241,145	25.1	5,235,506	14.2
Selling, general and administrative expenses	(4,926,911)	23.6	(4,391,621)	11.9
Interest income	122,258	0.6	N/A	N/A
Interest expense	(661,176)	3.2	N/A	N/A
Other income (expense), net	88,742	0.4	(60,522)	0.2
Net earnings (loss) before taxes	(145,942)	0.7	783,363	2.1
Income taxes	95,949	0.5	(183,406)	0.5
Net earnings (loss)	($49,993)	0.2%	$599,957	1.6%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	24
1989	15

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.6	2.0
Quick Ratio	1.3	1.8
Days of Cash	10.9	20.1
Work Cap Turnover	9.0	6.7
Profitability Ratios		
Return on Assets	-0.6%	4.0%
Return on Equity	-1.7%	8.9%
Times Interest Earned	0.8	13.9
Leverage Ratios		
Debt to Equity	1.8	1.2
Revenue to Equity	7.2	5.4
Asset Turnover	2.6	2.4
Fixed Asset Ratio	44.1%	41.3%
Equity to G & A Expenses	0.6	1.5
Underbillings to Equity	30.2%	18.2%
Average Backlog to Equity	4.1	4.5
Average Backlog to Working Capital	5.1	5.2
Average Months in Backlog	6.8	6.2
Efficiency Ratios		
Days in Accounts Receivable	75.0	67.2
Days in Inventory	7.1	4.3
Days in Accounts Payable	42.5	27.0
Operating Cycle	50.5	64.6

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SPECIALTY TRADES CONTRACTORS
WEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$373,220	9.1%	$83,846	1.3%
Marketable securities and short-term investments	57,714	1.4	0	0.0
Receivables:				
Contract receivables currently due	1,691,663	41.4	2,766,217	42.1
Retainages on contracts	319,393	7.8	156,707	2.4
Unbilled work	1,380	0.0	N/A	N/A
Other receivables	36,276	0.9	27,668	0.4
Less allowance for doubtful accounts	(25,979)	0.6	(43,927)	0.7
Total receivables, net	2,022,733	49.5	2,906,664	44.2
Inventories	134,308	3.3	912,643	13.9
Costs and recognized earnings in excess of billings on uncompleted contracts	372,394	9.1	282,643	4.3
Investments in construction joint ventures	6,544	0.2	89,151	1.4
Other current assets	54,693	1.3	183,257	2.8
Total current assets	3,021,606	73.9	4,458,204	67.8
Property, plant and equipment	2,236,176	54.7	3,642,170	55.4
Less accumulated depreciation	(1,224,705)	30.0	(1,633,318)	24.8
Property, plant and equipment, net	1,011,471	24.7	2,008,852	30.6
Other assets	43,376	1.1	12,066	0.2
Intangible assets	11,832	0.3	96,289	1.5
Total assets	$4,088,285	100.0%	$6,575,411	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$267,096	6.5%	$401,846	6.1%
Accounts payable				
Trade, including currently due subcontractors	969,680	23.7	987,179	15.0
Subcontractor retainages	15,367	0.4	12,417	0.2
Other	70,726	1.7	561,897	8.5
Total accounts payable	1,055,772	25.8	1,561,492	23.7
Accrued expenses	171,737	4.2	477,337	7.3
Billings in excess of costs and recognized earnings on uncompleted contracts	244,532	6.0	438,213	6.7
Income taxes				
Current	40,196	1.0	31,957	0.5
Deferred	16,703	0.4	61,292	0.9
Total income taxes	56,900	1.4	93,249	1.4
Other current liabilities	28,163	0.7	299,986	4.6
Total current liabilities	1,824,200	44.6	3,272,123	49.8
Long-term debt, excluding current portion	376,171	9.3	1,962,039	29.8
Deferred income taxes	45,709	1.1	0	0.0
Other	181,617	4.4	81,661	1.2
Minority interests	0	0.0	0	0.0
Total liabilities	2,429,696	59.4	5,315,823	80.8
Net worth				
Stock, par value	51,080	1.2	17,494	0.3
Additional paid-in capital	321,448	7.9	575,121	8.7
Retained earnings	1,306,052	31.9	697,959	10.6
Treasury stock	(19,992)	0.5	(30,985)	0.5
Total net worth	1,658,589	40.6	1,259,588	19.2
Total liabilities and net worth	$4,088,285	100.0%	$6,575,411	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$11,011,318	98.2%	$13,012,367	80.6%
Other revenue	205,595	1.8	3,133,187	19.4
Total revenue	11,216,912	100.0	16,145,554	100.0
Contract cost	(4,458,760)	39.8	(12,276,900)	76.0
Other cost	(711,302)	6.3	(1,978,949)	12.3
Total cost	(5,170,061)	46.1	(14,255,849)	88.3
Gross Profit	6,046,851	53.9	1,889,705	11.7
Selling, general and administrative expenses	(5,290,561)	47.2	(1,306,290)	8.1
Interest income	133,060	1.2	N/A	N/A
Interest expense	(448,312)	4.0	N/A	N/A
Other income (expense), net	242,541	2.2	(415,524)	2.6
Net earnings (loss) before taxes	683,578	6.1	167,891	1.0
Income taxes	(353,704)	3.2	(90,781)	0.6
Net earnings (loss)	$329,875	2.9%	$77,110	0.5%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	18
1989	8

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.7	1.4
Quick Ratio	1.3	0.9
Days of Cash	12.0	1.9
Work Cap Turnover	9.4	13.6
Profitability Ratios		
Return on Assets	8.1%	1.2%
Return on Equity	19.9%	6.1%
Times Interest Earned	2.5	0.6
Leverage Ratios		
Debt to Equity	1.5	4.2
Revenue to Equity	6.8	12.8
Asset Turnover	2.7	2.5
Fixed Asset Ratio	81.0%	158.5%
Equity to G & A Expenses	0.3	1.0
Underbillings to Equity	22.5%	22.4%
Average Backlog to Equity	2.4	19.9
Average Backlog to Working Capital	3.4	14.1
Average Months in Backlog	4.3	5.4
Efficiency Ratios		
Days in Accounts Receivable	64.9	64.8
Days in Inventory	9.4	23.0
Days in Accounts Payable	73.5	39.4
Operating Cycle	12.7	50.3

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SPECIALTY TRADES CONTRACTORS
FARWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$314,811	2.5%	$521,810	5.9%
Marketable securities and short-term investments	267,049	2.1	78,893	0.9
Receivables				
Contract receivables currently due	5,788,942	45.1	4,402,271	49.6
Retainages on contracts	1,791,541	14.0	1,444,415	16.3
Unbilled work	125,317	1.0	N/A	N/A
Other receivables	154,527	1.2	76,746	0.9
Less allowance for doubtful accounts	(48,129)	0.4	(60,766)	0.7
Total receivables, net	7,812,198	60.9	5,862,665	66.1
Inventories	915,225	7.1	273,619	3.1
Costs and recognized earnings in excess of billings on uncompleted contracts	910,863	7.1	706,936	8.0
Investments in construction joint ventures	1,049	0.0	4,504	0.1
Other current assets	299,404	2.3	278,370	3.1
Total current assets	10,520,599	82.0	7,726,797	87.1
Property, plant and equipment	3,646,570	28.4	1,819,736	20.5
Less accumulated depreciation	(2,072,032)	16.2	(1,043,669)	11.8
Property, plant and equipment, net	1,574,538	12.3	776,068	8.7
Other assets	629,274	4.9	276,131	3.1
Intangible assets	102,618	0.8	96,186	1.1
Total assets	$12,827,029	100.0%	$8,875,181	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$527,452	4.1%	$501,171	5.6%
Accounts payable				
Trade, including currently due subcontractors	2,416,776	18.8	1,822,428	20.5
Subcontractor retainages	262,657	2.0	80,423	0.9
Other	160,604	1.3	80,985	0.9
Total accounts payable	2,840,037	22.1	1,983,836	22.4
Accrued expenses	1,047,527	8.2	986,567	11.1
Billings in excess of costs and recognized earnings on uncompleted contracts	1,547,051	12.1	1,106,661	12.5
Income taxes				
Current	94,056	0.7	194,588	2.2
Deferred	325,994	2.5	264,814	3.0
Total income taxes	420,050	3.3	459,402	5.2
Other current liabilities	322,195	2.5	380,398	4.3
Total current liabilities	6,704,312	52.3	5,418,034	61.0
Long term debt, excluding current portion	1,053,161	8.2	503,873	5.7
Deferred income taxes	136,780	1.1	71,437	0.8
Other	408,793	3.2	116,677	1.3
Minority interests	891	0.0	1,470	0.0
Total liabilities	8,303,938	64.7	6,111,491	68.9
Net worth				
Stock, par value	696,178	5.4	383,562	4.3
Additional paid in capital	530,335	4.1	190,761	2.1
Retained earnings	3,345,073	26.1	2,212,315	24.9
Treasury stock	(48,493)	0.4	(22,947)	0.3
Total net worth	4,523,091	35.3	2,763,690	31.1
Total liabilities and net worth	$12,827,029	100.0%	$8,875,181	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$29,542,295	98.6%	$27,505,246	100.0%
Other revenue	430,325	1.4	3,795	0.0
Total revenue	29,972,620	100.0	27,509,041	100.0
Contract cost	(25,096,074)	83.7	(23,050,724)	83.8
Other cost	(559,900)	1.9	(251,552)	0.9
Total cost	(25,655,974)	85.6	(23,302,276)	84.7
Gross Profit	4,316,646	14.4	4,206,765	15.3
Selling, general and administrative expenses	(2,871,868)	9.6	(3,381,178)	12.3
Interest income	39,722	0.1	N/A	N/A
Interest expense	(180,087)	0.6	N/A	N/A
Other income (expense), net	(62,317)	0.2	(251,327)	0.9
Net earnings (loss) before taxes	1,242,095	4.1	574,260	2.1
Income taxes	(284,934)	1.0	(180,658)	0.7
Net earnings (loss)	$957,162	3.2%	$393,602	1.4%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	45
1989	29

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.6	1.4
Quick Ratio	1.3	1.2
Days of Cash	3.8	6.8
Work. Cap. Turnover	7.9	11.9
Profitability Ratios		
Return on Assets	7.5%	4.4%
Return on Equity	21.2%	14.2%
Times Interest Earned	7.9	4.9
Leverage Ratios		
Debt to Equity	1.8	2.2
Revenue to Equity	6.6	10.0
Asset Turnover	2.3	3.1
Fixed Asset Ratio	34.0%	28.1%
Equity to G & A Expenses	1.6	0.8
Underbillings to Equity	22.9%	25.6%
Average Backlog to Equity	4.7	7.3
Average Backlog to Working Capital	5.5	8.3
Average Months in Backlog	8.4	6.6
Efficiency Ratios		
Days in Accounts Receivable	93.8	76.7
Days in Inventory	12.8	4.2
Days in Accounts Payable	39.9	30.6
Operating Cycle	70.6	57.1

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SELECTED SIZE FINANCIAL DATA

Specialty Trades Contractors

		Annual Volume				
	All Companies	Less than $5 Million	$5-10 Million	$10-25 Million	$25-50 Million	Over $50 Million
Number of Companies	213	37	45	71	28	32
Assets	$12,520	1,650	2,493	5,217	12,286	54,921
Liabilities	8,415	1,047	1,452	3,418	7,228	38,379
Net Worth	4,105	602	1,041	1,798	5,058	16,542
% Net Worth to Assets	32.8	36.5	41.8	34.5	41.2	30.1
Revenues	31,876	2,555	7,350	15,190	32,859	132,762
Gross Profit	5,219	510	1,234	2,176	4,577	22,993
% Gross Profit	16.4	20.0	16.8	14.3	13.9	17.3
G&A Expenses	4,341	452	1,074	1,810	3,551	19,056
% to Revenue	13.6	17.7	14.6	11.9	10.8	14.4
Net Income	253	35	141	255	490	426
% Net Income	0.8	1.4	1.9	1.7	1.5	0.3
Current Ratio	1.5	1.5	1.6	1.5	1.6	1.5
Return on Assets (%)	2.0	2.1	5.6	4.9	4.0	0.8
Return on Equity (%)	6.2	5.7	13.5	14.2	9.7	2.6

Note: All $ amounts are in thousands

Discussion and Analysis

Of the 213 Specialty Trades contractors, approximately one third (33%) are included in the category with annual revenues between $10-25 million. The remaining two thirds of the companies are evenly dispersed among the size classifications ranging from 13% in the $25-50 million category to 21% in the less than $5 million category.

The less than $5 million category has the highest gross profit percentage (20%) and also the highest G & A expense percentage (17.7%) which is consistent with the 1989 results. The $5 - 10 million category had above composite average for the return on assets (5.6%) and return on equity (13.5%) attributable to their favorable net income percentage of 1.9%. The over $50 million category had a healthy gross profit percentage (17.3%) combined with an above average G & A expense percentage netting to a low net income percentage of only .3 percent. This percentage is the lowest of all companies with annual volume over $50 million. However, this is an improvement over the 1989 net income percentage of (-.4%). The low return on assets (.8%) and return on equity (2.6%) are both consistent with the low net income percentage. This particular situation is relevant to the general concern in the construction industry (especially for larger companies) of the importance of proper control over G & A expense.

Low net income percentages are reflected in all size categories. Such low net income percentages do not allow for much flexibility in profit margins and make the Specialty Trades contractors more vulnerable to competitive changes in the market.

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SPECIALTY TRADES CONTRACTORS
LESS THAN $5 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$116,938	7.1%	$139,696	8.9%
Marketable securities and short-term investments	24,997	1.5	5,665	0.3
Receivables:				
Contract receivables currently due	749,132	45.4	502,952	30.5
Retainages on contracts	107,567	6.5	100,872	6.1
Unbilled work	16,367	1.0	N/A	N/A
Other receivables	62,266	3.8	51,917	3.1
Less allowance for doubtful accounts	(5,677)	0.3	(1,010)	0.1
Total receivables, net	929,676	56.4	654,731	39.7
Inventories	111,508	6.8	80,050	4.9
Costs and recognized earnings in excess of billings on uncompleted contracts	100,289	6.1	89,342	5.4
Investments in construction joint ventures	928	0.1	0	0.0
Other current assets	41,640	2.5	34,727	2.1
Total current assets	1,325,975	80.4	1,004,212	60.9
Property, plant and equipment	575,388	34.9	464,689	28.2
Less accumulated depreciation	(301,532)	18.3	(295,980)	17.9
Property, plant and equipment, net	273,856	16.6	168,709	10.2
Other assets	41,546	2.5	20,148	1.2
Intangible assets	8,218	0.5	3,358	0.2
Total assets	$1,649,596	100.0%	$1,196,427	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$173,130	37.9%	$49,304	5.9%
Accounts payable				
Trade, including currently due subcontractors	311,780	10.0	191,959	16.0
Subcontractor retainages	9,600	0.3	55,992	4.7
Other	58,720	1.3	17,623	1.5
Total accounts payable	380,100	11.6	265,574	22.2
Accrued expenses	99,323	9.3	65,392	5.5
Billings in excess of costs and recognized earnings on uncompleted contracts	81,059	1.9	40,752	3.4
Income taxes				
Current	14,135	81059.0	11,182	0.9
Deferred	38,335	0.7	32,568	2.7
Total income taxes	52,470	1.0	43,750	3.7
Other current liabilities	78,328	1.7	32,145	2.7
Total current liabilities	864,408	63.5	516,917	43.2
Long-term debt, excluding current portion	131,280	4.0	106,074	8.9
Deferred income taxes	12,407	0.2	11,676	1.0
Other	29,945	1.0	7,358	0.6
Minority interests	9,213	0.2	39,395	3.3
Total liabilities	1,047,254	69.0	681,421	57.0
Net worth				
Stock, par value	42,105	1.0	28,369	2.4
Additional paid-in capital	176,059	3.3	70,568	5.9
Retained earnings	411,229	27.2	417,312	34.9
Treasury stock	(27,051)	0.4	(1,241)	0.1
Total net worth	602,342	31.0	515,008	43.0
Total liabilities and net worth	$1,649,596	100.0%	$1,196,427	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$2,405,927	94.2%	$3,346,419	98.5%
Other revenue	148,709	5.8	50,002	1.5
Total revenue	2,554,636	100.0	3,396,420	100.0
Contract cost	(1,922,509)	75.3	(2,630,919)	77.5
Other cost	(121,858)	4.8	(28,137)	0.8
Total cost	(2,044,367)	80.0	(2,659,056)	78.3
Gross Profit	510,269	20.0	737,364	21.7
Selling, general and administrative expenses	(452,389)	17.7	(721,996)	21.3
Interest income	5,684	0.2	N/A	N/A
Interest expense	(24,495)	1.0	N/A	N/A
Other income (expense), net	(8,387)	0.3	24,359	0.7
Net earnings (loss) before taxes	30,684	1.2	39,727	1.2
Income taxes	3,881	0.2	(4,685)	0.1
Net earnings (loss)	$34,564	1.4%	$35,042	1.0%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	37
1989	19

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.5	1.9
Quick Ratio	1.2	1.5
Days of Cash	16.5	14.8
Work. Cap. Turnover	5.5	7.0
Profitability Ratios		
Return on Assets	2.1%	2.9%
Return on Equity	5.7%	6.8%
Times Interest Earned	2.3	18.4
Leverage Ratios		
Debt to Equity	1.7	1.3
Revenue to Equity	4.2	6.6
Asset Turnover	1.5	2.8
Fixed Asset Ratio	45.5%	32.9%
Equity to G & A Expenses	1.3	0.7
Underbillings to Equity	19.4%	17.3%
Average Backlog to Equity	11.0	8.7
Average Backlog to Working Capital	14.4	8.1
Average Months in Backlog	31.2	4.6
Efficiency Ratios		
Days in Accounts Receivable	131.0	69.4
Days in Inventory	19.6	10.8
Days in Accounts Payable	66.9	36.0
Operating Cycle	100.2	59.1

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SPECIALTY TRADES CONTRACTORS
$5 - 10 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$263,835	10.6%	$205,720	8.3%
Marketable securities and short-term investments	18,746	0.8	2,971	0.1
Receivables:				
Contract receivables currently due	1,001,746	40.2	1,405,231	56.4
Retainages on contracts	278,149	11.2	228,088	9.1
Unbilled work	13,252	0.5	N/A	N/A
Other receivables	45,885	1.8	125,302	5.0
Less allowance for doubtful accounts	(6,649)	0.3	(15,095)	0.6
Total receivables, net	1,332,381	53.4	1,743,526	69.9
Inventories	180,861	7.3	171,372	6.9
Costs and recognized earnings in excess of billings on uncompleted contracts	188,641	7.6	189,256	7.6
Investments in construction joint ventures	18,735	0.8	0	0.0
Other current assets	66,621	2.7	92,851	3.7
Total current assets	2,069,819	83.0	2,405,696	96.5
Property, plant and equipment	881,576	35.4	447,286	17.9
Less accumulated depreciation	(532,632)	21.4	(284,301)	11.4
Property, plant and equipment, net	348,944	14.0	162,964	6.5
Other assets	68,635	2.8	38,635	1.5
Intangible assets	5,699	0.2	5,371	0.2
Total assets	$2,493,096	100.0%	$2,612,666	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$173,102	6.9%	$275,384	10.5%
Accounts payable				
Trade, including currently due subcontractors	582,151	23.4	671,487	25.7
Subcontractor retainages	42,743	1.7	24,173	0.9
Other	67,576	2.7	60,844	2.3
Total accounts payable	692,469	27.8	756,504	29.0
Accrued expenses	140,083	5.6	230,980	8.8
Billings in excess of costs and recognized earnings on uncompleted contracts	141,338	5.7	144,017	5.5
Income taxes				
Current	18,702	0.8	37,150	1.4
Deferred	57,616	2.3	88,012	3.4
Total income taxes	76,319	3.1	125,162	4.8
Other current liabilities	87,379	3.5	89,179	3.4
Total current liabilities	1,310,660	52.6	1,621,225	62.1
Long-term debt, excluding current portion	118,068	4.7	175,467	6.7
Deferred income taxes	15,727	0.6	2,815	0.1
Other	3,309	0.1	7,809	0.3
Minority interests	4,434	0.2	0	0.0
Total liabilities	1,452,198	58.2	1,807,317	69.2
Net worth				
Stock, par value	87,334	3.5	94,158	3.1
Additional paid in capital	91,712	3.3	63,476	2.4
Retained earnings	922,969	37.0	765,365	29.3
Treasury stock	(51,136)	2.1	(77,648)	3.0
Total net worth	1,040,898	41.8	805,349	30.8
Total liabilities and net worth	$2,493,096	100.0%	$2,612,666	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$7,160,898	97.4%	$7,454,810	97.9%
Other revenue	189,262	2.6	161,771	2.1
Total revenue	7,350,160	100.0	7,616,580	100.0
Contract cost	(5,900,128)	80.3	(5,822,375)	76.4
Other cost	(215,704)	2.9	(144,436)	1.9
Total cost	(6,115,831)	83.2	(5,966,811)	78.3
Gross Profit	1,234,329	16.8	1,649,770	21.7
Selling, general and administrative expenses	(1,074,455)	14.6	(1,427,053)	18.7
Interest income	15,827	0.2	N/A	N/A
Interest expense	(44,240)	0.6	N/A	N/A
Other income (expense), net	20,525	0.3	(51,733)	0.7
Net earnings (loss) before taxes	151,986	2.1	170,984	2.2
Income taxes	(11,464)	0.2	(46,042)	0.6
Net earnings (loss)	$140,522	1.9%	$124,942	1.6%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	45
1989	26

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.6	1.5
Quick Ratio	1.2	1.2
Days of Cash	12.9	9.7
Work. Cap. Turnover	9.7	9.7
Profitability Ratios		
Return on Assets	5.6%	4.8%
Return on Equity	13.5%	15.5%
Times Interest Earned	4.4	7.0
Leverage Ratios		
Debt to Equity	1.4	2.2
Revenue to Equity	7.1	9.5
Asset Turnover	2.9	2.9
Fixed Asset Ratio	33.5%	30.3%
Equity to G & A Expenses	1.0	0.6
Underbillings to Equity	19.4%	23.9%
Average Backlog to Equity	3.3	4.7
Average Backlog to Working Capital	4.5	5.5
Average Months in Backlog	5.5	6.2
Efficiency Ratios		
Days in Accounts Receivable	65.3	82.4
Days in Inventory	10.9	10.3
Days in Accounts Payable	40.8	45.6
Operating Cycle	48.1	56.8

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SPECIALTY TRADES CONTRACTORS
$10 - 25 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$347,557	7.0%	$535,240	10.3%
Marketable securities and short term investments	30,874	0.6	88,875	1.7
Receivables:				
Contract receivables currently due	2,440,552	46.9	2,937,089	56.3
Retainages on contracts	550,771	10.6	519,904	10.0
Unbilled work	48,208	0.9	N/A	N/A
Other receivables	120,593	2.3	68,574	1.3
Less allowance for doubtful accounts	(28,072)	0.5	(50,759)	1.0
Total receivables, net	3,132,052	60.0	3,474,809	66.6
Inventories	200,559	3.9	215,950	4.1
Costs and recognized earnings in excess of billings on uncompleted contracts	365,863	7.0	475,273	9.1
Investments in construction joint ventures	13,380	0.3	26,940	0.5
Other current assets	98,875	1.9	128,153	2.5
Total current assets	4,209,180	80.7	4,945,240	94.8
Property, plant and equipment	1,890,919	36.2	1,448,112	27.8
Less accumulated depreciation	(1,056,693)	20.3	(792,368)	15.2
Property, plant and equipment, net	834,226	16.0	655,744	12.6
Other assets	131,175	2.5	132,650	2.5
Intangible assets	42,117	0.8	63,769	1.2
Total assets	$5,216,698	100.0%	$5,797,402	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long term debt	$328,126	6.3%	$352,723	6.1%
Accounts payable:				
Trade, including currently due subcontractors	1,157,078	22.2	1,347,215	23.2
Subcontractor retainages	57,000	1.1	95,696	1.7
Other	96,550	1.9	81,824	1.4
Total accounts payable	1,310,629	25.1	1,524,737	26.3
Accrued expenses	382,391	7.3	391,402	6.8
Billings in excess of costs and recognized earnings on uncompleted contracts	378,838	7.2	485,769	8.4
Income taxes:				
Current	35,935	0.7	109,311	1.9
Deferred	80,093	1.5	153,328	2.6
Total income taxes	116,028	2.2	262,639	4.5
Other current liabilities	335,578	6.4	207,945	3.6
Total current liabilities	2,850,590	54.6	3,225,215	55.6
Long term debt, excluding current portion	525,255	10.1	531,650	9.2
Deferred income taxes	29,501	0.6	65,228	1.1
Other	11,357	0.2	74,490	1.3
Minority interests	1,629	0.0	65,224	1.1
Total liabilities	3,418,333	65.5	3,961,807	68.3
Net worth:				
Stock, par value	134,641	2.6	130,281	2.2
Additional paid in capital	96,639	1.9	186,899	3.2
Retained earnings	1,656,152	31.8	1,716,216	29.6
Treasury stock	(93,088)	1.8	(197,801)	3.4
Total net worth	1,798,365	34.5	1,835,595	31.7
Total liabilities and net worth	$5,216,698	100.0%	$5,797,402	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$15,017,748	98.9%	$16,026,719	99.0%
Other revenue	172,547	1.1	166,605	1.0
Total revenue	15,190,297	100.0	16,193,324	100.0
Contract cost	(12,547,983)	82.6	(12,835,121)	79.3
Other cost	(466,504)	3.1	(160,566)	1.0
Total cost	(13,014,488)	85.7	(12,995,686)	80.3
Gross Profit	2,175,809	14.3	3,197,638	19.7
Selling, general and administrative expenses	(1,809,727)	11.9	(2,557,767)	15.8
Interest income	26,235	0.2	N/A	N/A
Interest expense	(119,835)	0.8	N/A	N/A
Other income (expense), net	23,446	0.2	(78,224)	0.5
Net earnings (loss) before taxes	295,928	1.9	561,647	3.5
Income taxes	(40,760)	0.3	(231,440)	1.4
Net earnings (loss)	$255,168	1.7%	$330,207	2.0%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	71
1989	57

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.5	1.5
Quick Ratio	1.2	1.3
Days of Cash	8.7	11.9
Work. Cap. Turnover	11.2	9.4
Profitability Ratios		
Return on Assets	4.9%	5.7%
Return on Equity	14.2%	18.0%
Times Interest Earned	3.5	10.1
Leverage Ratios		
Debt to Equity	1.9	2.2
Revenue to Equity	8.4	8.8
Asset Turnover	2.9	2.8
Fixed Asset Ratio	46.4%	35.7%
Equity to G & A Expenses	1.0	0.7
Underbillings to Equity	23.0%	25.9%
Average Backlog to Equity	4.6	4.3
Average Backlog to Working Capital	6.1	5.3
Average Months in Backlog	6.6	5.5
Efficiency Ratios		
Days in Accounts Receivable	74.2	77.2
Days in Inventory	5.5	6.0
Days in Accounts Payable	36.3	42.2
Operating Cycle	52.2	52.9

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SPECIALTY TRADES CONTRACTORS
$25 - 50 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$714,509	5.8%	$1,036,845	8.1%
Marketable securities and short term investments	211,563	1.7	35,926	0.0
Receivables:				
Contract receivables currently due	5,394,743	43.9	6,102,961	0.5
Retainages on contracts	1,485,067	12.1	1,010,006	0.1
Unbilled work	17,453	0.1	N/A	N/A
Other receivables	209,356	1.7	183,113	0.0
Less allowance for doubtful accounts	(50,847)	0.4	(63,886)	0.0
Total receivables, net	7,055,772	57.4	7,232,193	0.6
Inventories	507,851	4.1	667,357	0.1
Costs and recognized earnings in excess of billings on uncompleted contracts	959,362	7.8	799,300	0.1
Investments in construction joint ventures	3,050	0.0	29,513	0.0
Other current assets	222,045	1.8	327,154	0.0
Total current assets	9,674,151	78.7	10,128,287	0.8
Property, plant and equipment	2,904,723	23.6	4,557,148	0.4
Less accumulated depreciation	(1,335,085)	10.9	(2,323,963)	0.2
Property, plant and equipment, net	1,569,638	12.8	2,233,185	0.2
Other assets	368,683	3.0	320,075	0.0
Intangible assets	673,238	5.5	53,015	0.0
Total assets	$12,285,909	100.0%	$12,734,562	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long term debt	$415,436	3.4%	$719,928	5.7%
Accounts payable:				
Trade, including currently due subcontractors	2,298,494	18.7	2,480,540	0.2
Subcontractor retainages	138,788	1.1	138,521	0.0
Other	80,996	0.7	230,073	0.0
Total accounts payable	2,518,278	20.5	2,829,143	0.2
Accrued expenses	952,310	7.8	1,065,734	0.1
Billings in excess of costs and recognized earnings on uncompleted contracts	1,129,799	9.2	1,162,422	0.1
Income taxes				
Current	151,704	1.2	114,672	0.0
Deferred	177,381	1.4	230,565	0.0
Total income taxes	329,085	2.7	345,237	0.0
Other current liabilities	582,584	4.7	561,976	0.0
Total current liabilities	5,927,453	48.2	6,684,441	0.5
Long term debt, excluding current portion	1,090,895	8.9	1,831,303	0.1
Deferred income taxes	69,502	0.6	54,381	0.0
Other	113,460	0.9	160,239	0.0
Minority interests	26,357	0.2	1,334	0.0
Total liabilities	7,227,668	58.8	8,731,698	0.7
Net worth				
Stock, par value	519,307	4.2	584,719	0.0
Additional paid in capital	1,573,624	12.8	335,006	0.0
Retained earnings	3,315,750	27.0	3,303,387	0.3
Treasury stock	(350,440)	2.9	(220,248)	0.0
Total net worth	5,058,241	41.2	4,002,864	0.3
Total liabilities and net worth	$12,285,909	100.0%	$12,734,562	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$32,469,636	98.8%	$33,886,751	96.9%
Other revenue	389,797	1.2	1,079,357	3.1
Total revenue	32,859,433	100.0	34,966,108	100.0
Contract cost	(27,896,564)	84.9	-29,674,274	84.9
Other cost	(385,820)	1.2	-869,918	2.5
Total cost	(28,282,385)	86.1	-30,544,192	87.4
Gross Profit	4,577,048	13.9	4,421,916	12.6
Selling, general and administrative expenses	(3,550,902)	10.8	-3,697,160	10.6
Interest income	82,422	0.3	N/A	N/A
Interest expense	(220,612)	0.7	N/A	N/A
Other income (expense), net	(264,320)	0.8	-39,338	0.1
Net earnings (loss) before taxes	623,736	1.9	685,418	2.0
Income taxes	(133,769)	0.4	(184,775)	0.5
Net earnings (loss)	$489,966	1.5%	$500,643	1.4%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	28
1989	31

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.6	1.5
Quick Ratio	1.3	1.2
Days of Cash	7.8	10.7
Work. Cap. Turnover	8.8	10.2
Profitability Ratios		
Return on Assets	4.0%	3.9%
Return on Equity	9.7%	12.5%
Times Interest Earned	3.8	8.3
Leverage Ratios		
Debt to Equity	1.4	2.2
Revenue to Equity	6.5	8.7
Asset Turnover	2.7	2.7
Fixed Asset Ratio	31.0%	55.8%
Equity to G & A Expenses	1.4	1.1
Underbillings to Equity	19.3%	20.0%
Average Backlog to Equity	3.4	9.0
Average Backlog to Working Capital	4.6	8.1
Average Months in Backlog	6.2	6.0
Efficiency Ratios		
Days in Accounts Receivable	77.3	74.5
Days in Inventory	6.5	7.9
Days in Accounts Payable	32.1	33.3
Operating Cycle	59.5	59.7

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SPECIALTY TRADES CONTRACTORS
OVER $50 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$2,911,541	5.3%	$3,270,407	6.0%
Marketable securities and short-term investments	657,059	1.2	172,452	0.3
Receivables:				
Contract receivables currently due	22,727,932	41.4	21,952,916	40.0
Retainages on contracts	6,455,740	11.8	4,956,374	9.0
Unbilled work	2,316,560	4.2	N/A	N/A
Other receivables	635,595	1.2	1,983,689	3.6
Less allowance for doubtful accounts	(444,358)	0.8	(298,260)	0.5
Total receivables, net	31,691,471	57.7	28,594,718	52.1
Inventories	2,293,205	4.2	688,831	1.3
Costs and recognized earnings in excess of billings on uncompleted contracts	3,794,592	6.9	2,338,818	4.3
Investments in construction joint ventures	350,248	0.6	536,623	1.0
Other current assets	2,000,509	3.6	2,289,162	4.2
Total current assets	43,698,624	79.6	37,891,012	69.0
Property, plant and equipment	15,121,083	27.5	12,241,715	22.3
Less accumulated depreciation	(8,504,114)	15.5	(7,114,227)	13.0
Property, plant and equipment, net	6,616,968	12.0	5,127,488	9.3
Other assets	3,044,760	5.5	2,102,598	3.8
Intangible assets	1,560,636	2.8	45,854	0.1
Total assets	$54,920,989	100.0%	$45,166,953	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$2,004,807	3.7%	$1,929,425	4.3%
Accounts payable				
Trade, including currently due subcontractors	9,671,752	17.6	9,598,869	21.3
Subcontractor retainages	573,249	1.0	59,004	0.1
Other	1,049,534	1.9	30,632	0.1
Total accounts payable	11,294,534	20.6	9,688,504	21.5
Accrued expenses	5,500,330	10.0	2,991,195	6.6
Billings in excess of costs and recognized earnings on uncompleted contracts	5,832,418	10.6	5,606,688	12.4
Income taxes				
Current	283,383	0.5	505,098	1.1
Deferred	575,138	1.0	652,354	1.4
Total income taxes	858,521	1.6	1,157,452	2.6
Other current liabilities	4,277,025	7.8	6,376,202	14.1
Total current liabilities	29,767,726	54.2	27,751,447	61.4
Long-term debt, excluding current portion	5,615,895	10.2	7,421,721	16.4
Deferred income taxes	509,210	0.9	1,238,337	2.7
Other	2,433,033	4.4	402,638	0.9
Minority interests	53,123	0.1	212,933	0.5
Total liabilities	38,378,987	69.9	37,027,076	82.0
Net worth				
Stock, par value	3,288,247	6.0	1,709,068	3.8
Additional paid-in capital	3,684,457	6.7	1,449,988	3.2
Retained earnings	10,979,375	20.0	6,087,008	13.5
Treasury stock	(1,391,078)	2.5	(1,106,184)	2.4
Total net worth	16,542,001	30.1	8,139,877	18.0
Total liabilities and net worth	$54,920,989	100.0%	$45,166,953	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$130,754,827	98.5%	$113,249,392	98.4%
Other revenue	2,007,667	1.5	1,873,854	1.6
Total revenue	132,762,494	100.0	115,123,246	100.0
Contract cost	(108,120,489)	81.4	(100,492,502)	87.3
Other cost	(1,648,930)	1.2	(733,373)	0.6
Total cost	(109,769,419)	82.7	(101,225,875)	87.9
Gross Profit	22,993,075	17.3	13,897,371	12.1
Selling, general and administrative expenses	(19,056,001)	14.4	(12,236,301)	10.6
Interest income	333,734	0.3	N/A	N/A
Interest expense	(2,208,660)	1.7	N/A	N/A
Other income (expense), net	(184,091)	0.1	(1,419,861)	1.2
Net earnings (loss) before taxes	1,878,056	1.4	241,209	0.2
Income taxes	(1,452,426)	1.1	(699,431)	0.6
Net earnings (loss)	$425,631	0.3%	($458,221)	0.4%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	32
1989	30

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.5	1.4
Quick Ratio	1.2	1.2
Days of Cash	7.9	10.2
Work. Cap. Turnover	9.5	11.4
Profitability Ratios		
Return on Assets	0.8%	-1.0%
Return on Equity	2.6%	-5.6%
Times Interest Earned	1.9	0.4
Leverage Ratios		
Debt to Equity	2.3	4.5
Revenue to Equity	8.0	14.1
Asset Turnover	2.4	2.5
Fixed Asset Ratio	40.0%	63.0%
Equity to G & A Expenses	0.9	0.7
Underbillings to Equity	36.9%	28.7%
Average Backlog to Equity	5.1	4.4
Average Backlog to Working Capital	6.0	5.1
Average Months in Backlog	7.6	7.1
Efficiency Ratios		
Days in Accounts Receivable	85.9	89.4
Days in Inventory	7.5	2.4
Days in Accounts Payable	37.0	34.5
Operating Cycle	64.3	67.6

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OTHER CONTRACTORS

OTHER CONTRACTORS

Foreword

Of the 795 survey respondents, 82 or 10% are included in the Other classification. This classification includes those contractors performing as construction managers and all other types of contracting not included in the other four classifications. This classification also includes those contractors performing work in the SIC code 6552, Subdividers and Developers. This section of the survey includes various charts, tables, and financial data for all respondents included in the Other contractor classification.

TABLE OF CONTENTS PAGE

CORPORATE PROFILE OF OTHER CONTRACTORS

Legal Form of Business 180
Ownership of Business 180
Type of Contractor 180
Role of Contractor 181
Union/Open Shop Contractor 181
Location of Work 181
Source of Work 182
Longevity 182
Employee Benefits 182
Bonded Work 186
Self-Insurance 185
Types of Retainage 185
Cash Management 186
Substance Abuse Testing 187
Other Characteristics 188
Opinions 189

ACCOUNTING POLICIES AND METHODS

Contract Revenue Recognition Policies 190
Investments in Joint Ventures 192
Depreciation Methods 192
Inventory Valuation Methods 192

FINANCIAL DATA

Selected Financial Data 193
Composite Financial Data 194
Selected Regional Financial Data 195
Regional Financial Data 196
Selected Size Financial Data 201
Size Financial Data 202

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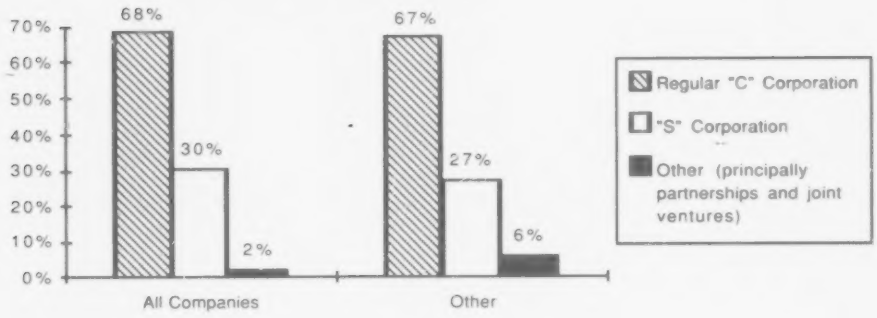
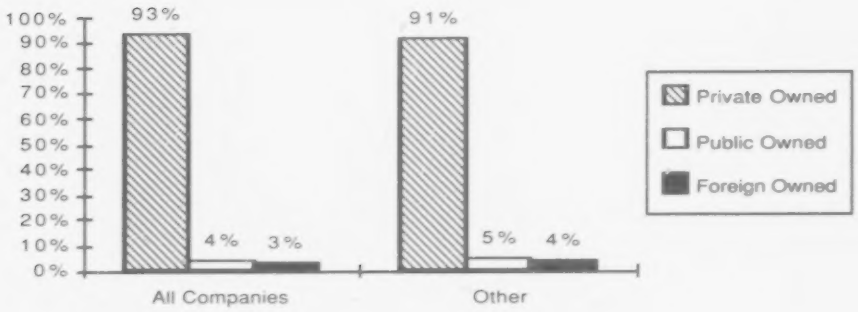
CORPORATE PROFILE

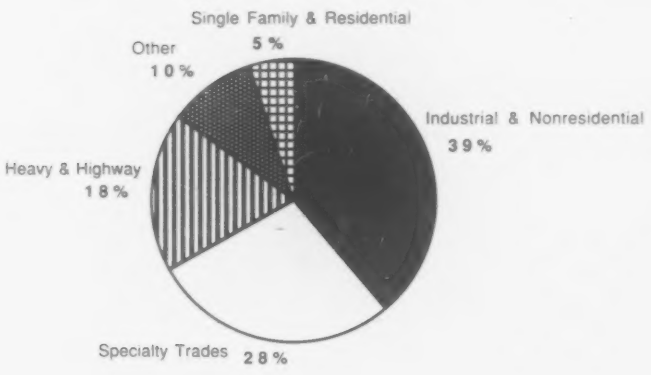
Legal Form of Business



Ownership of Business



Type of Contractor



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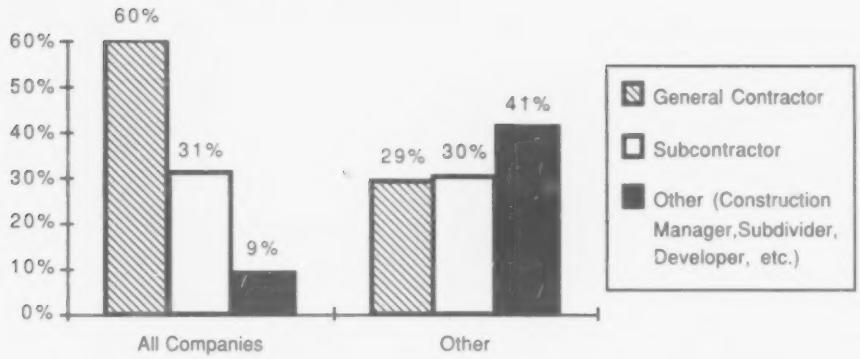
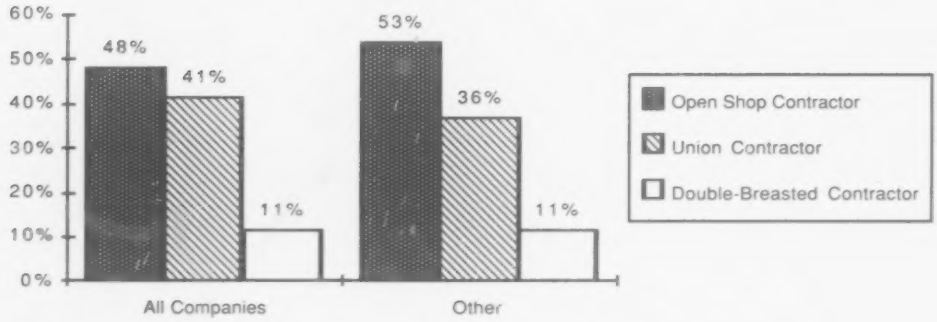
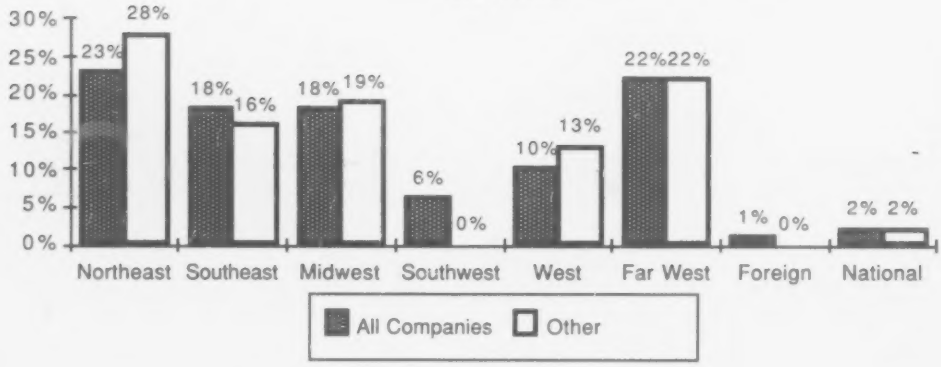
Role of Contractor



Union/Open Shop Contractors



Location of Work Regions



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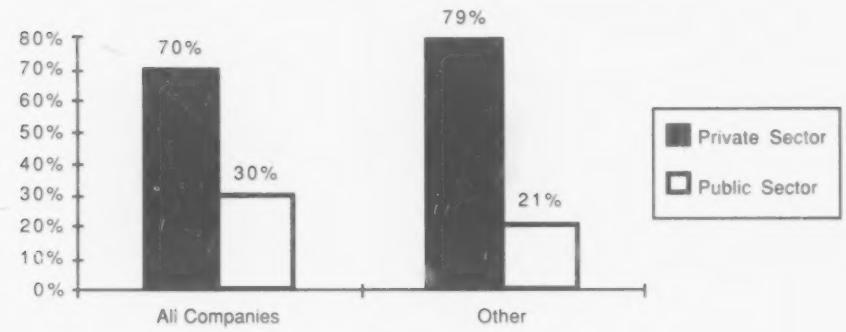
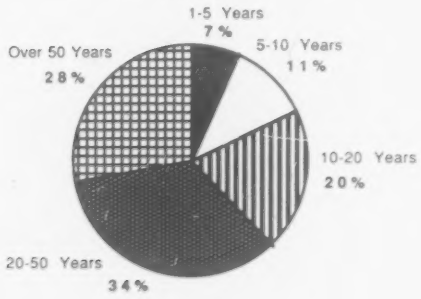
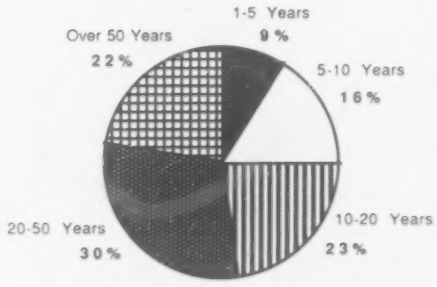
Source of Work



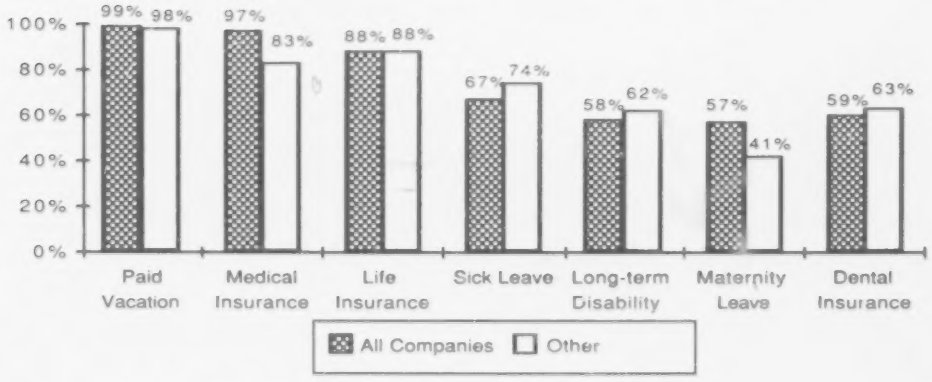
Longevity of Business
All Companies



Longevity of Business
Other



Most Common Employee Benefits
(Percentage of Salaried Employees Having Benefit)



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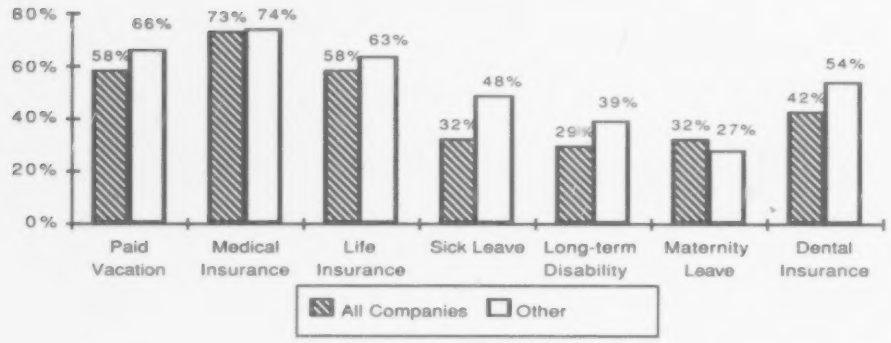
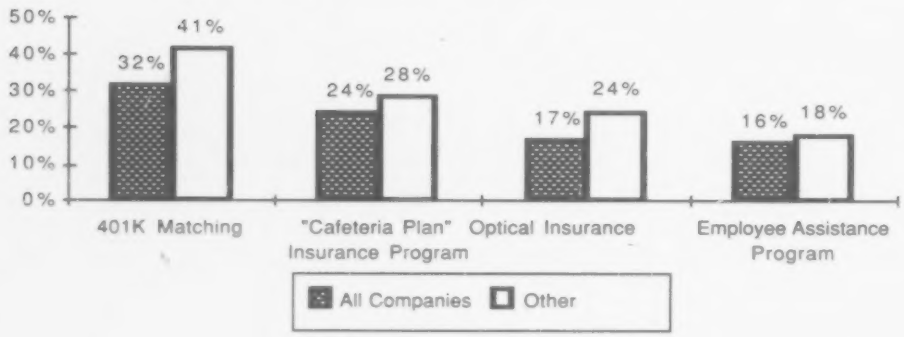
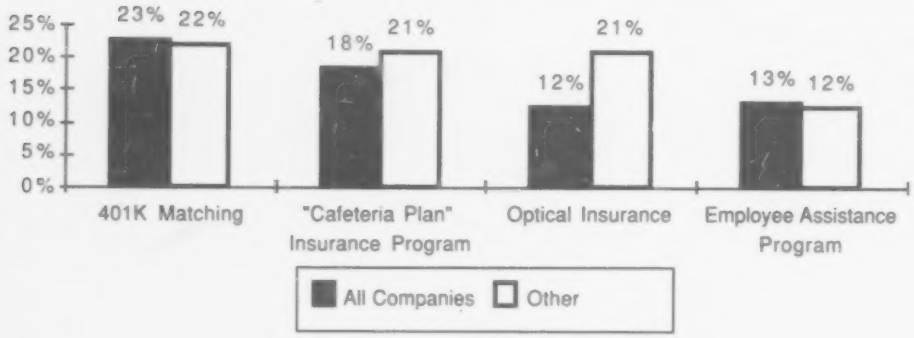
Most Common Employee Benefits
(Percentage of Hourly Employees Having Benefit)



Least Common Employee Benefits
(Percentage of Salaried Employees Having Benefit)



Least Common Employee Benefits
(Percentage of Hourly Employees Having Benefit)



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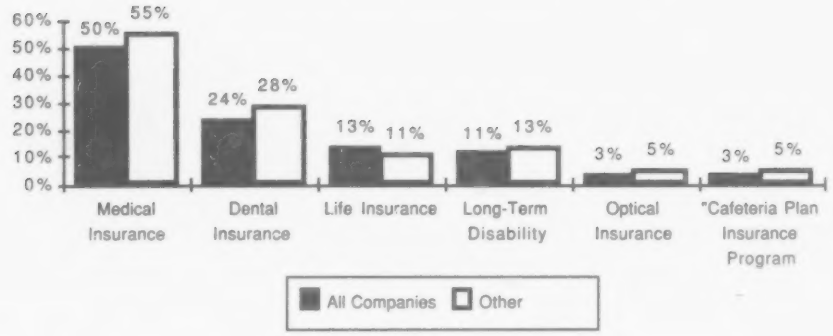
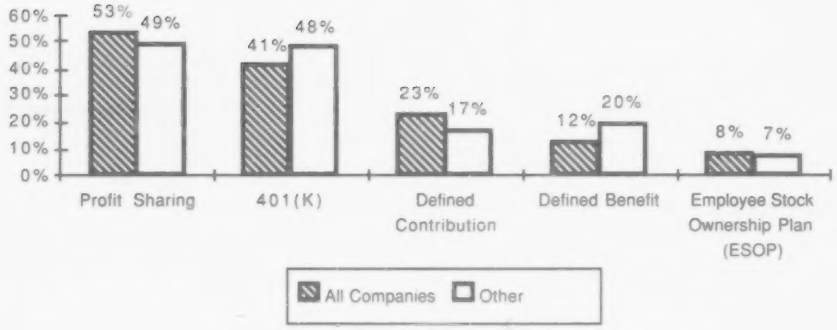
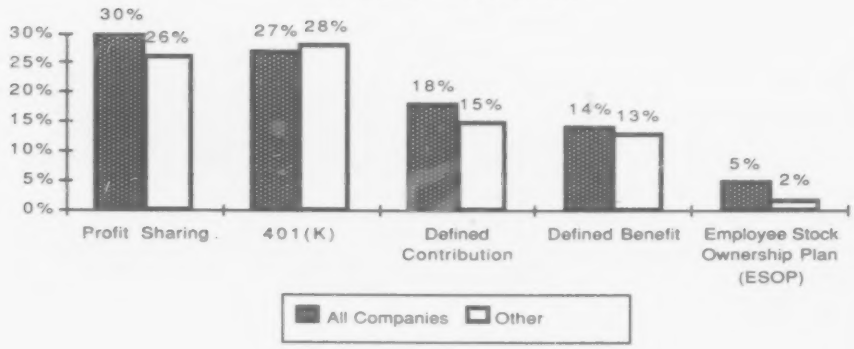
Employee Pays a Portion of Benefits



Employee Benefit Plans
(Salaried Employees)



Employee Benefit Plans
(Hourly Employees)



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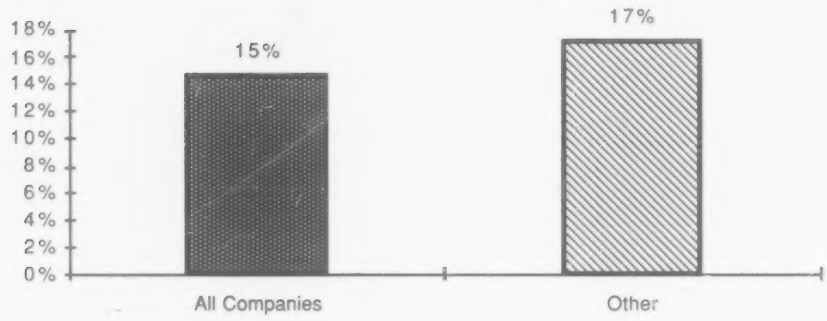
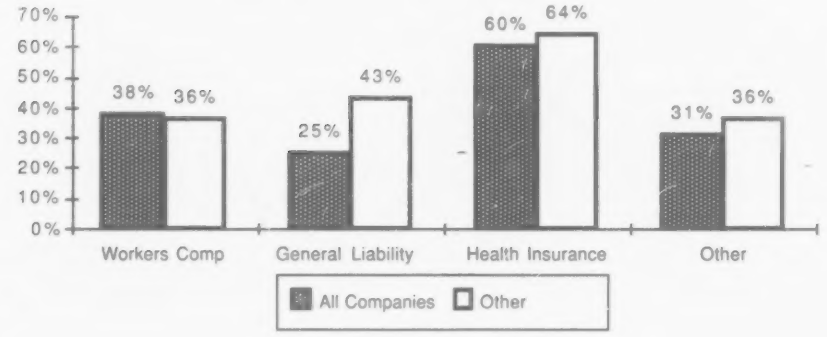
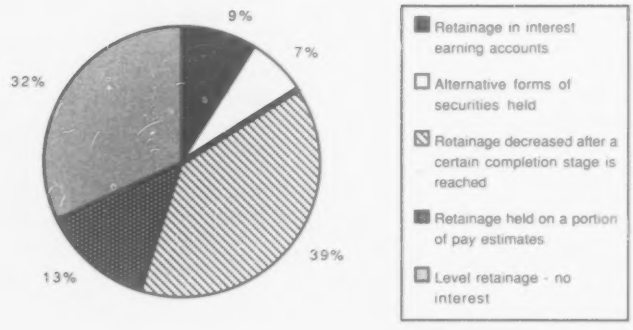
Companies which are Self-Insured



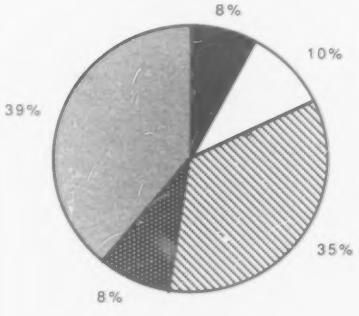
Areas of Self-Insurance
(For Companies which are Self-Insured)



Types of Contract Retainage
All Companies



Types of Contract Retainage
Other



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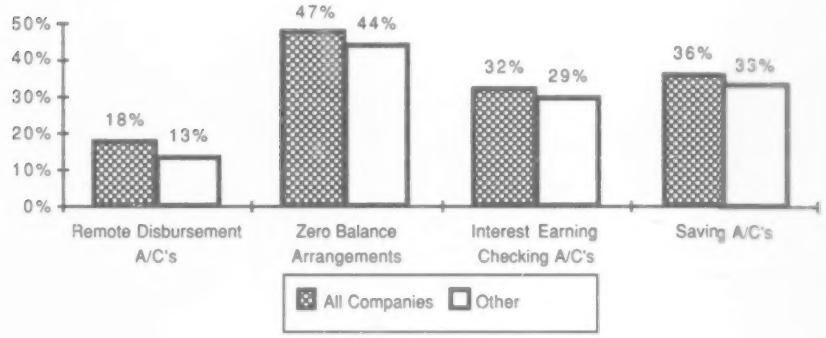
Look-back Method of Interest Computation for Completed Long-term Contracts

	All Companies	Other
Average man hours incurred complying with the rule	40	18
Average additional outside tax consulting fees paid	$1,982	$1,683
Average amount to (from) IRS reported on Form 8697	$4,577	$14,304

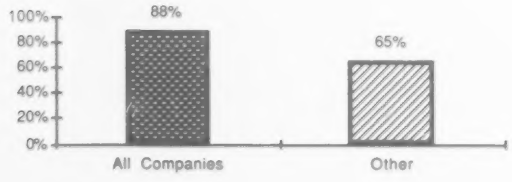
Cash Management



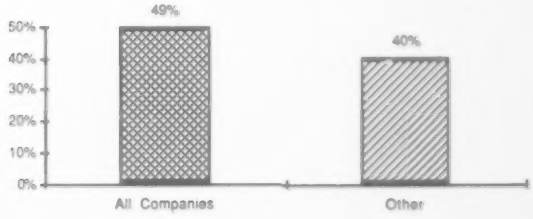
Bonuses

	Bonus Determined by:			
Applicable to:	Discretionary	Goal Attainment	Formula	Other
Corporate Executives	62%	14%	22%	2%
Project Managers	61%	19%	17%	3%
Project Superintendent	62%	15%	19%	4%
Estimators	65%	11%	20%	4%

Percentage of Companies that Perform Bonded Work



Percentage of Contract Revenue that is Bonded (For Companies that Perform Bonded Work)



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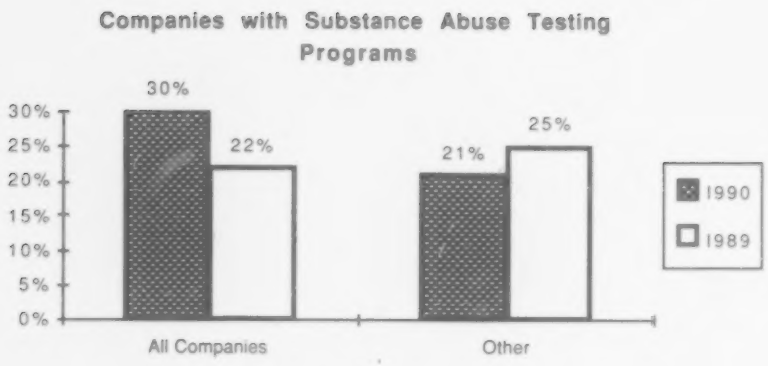

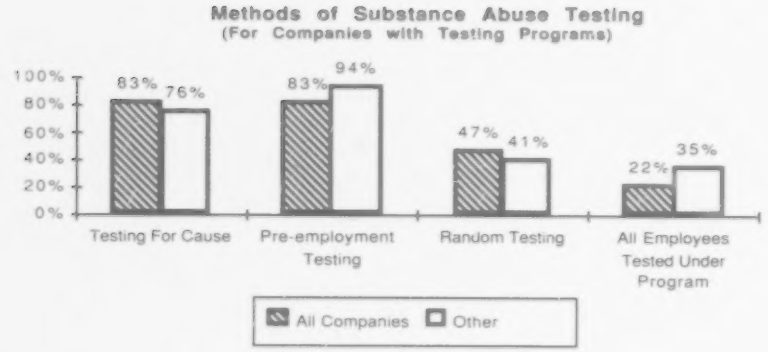

STAFFING

	Weighted Average Number of Employees
Corporate Executives	6
Construction Management	26
Construction Field Employees	170
Engineering and estimating	60
Accounting and Finance	9
Data Processing	3
Human Resources	2
Legal	1
Maintenance and Repair Shop	4
Marketing and Business Development	4
Internal Audit	0
All Others	58
Total employees	342

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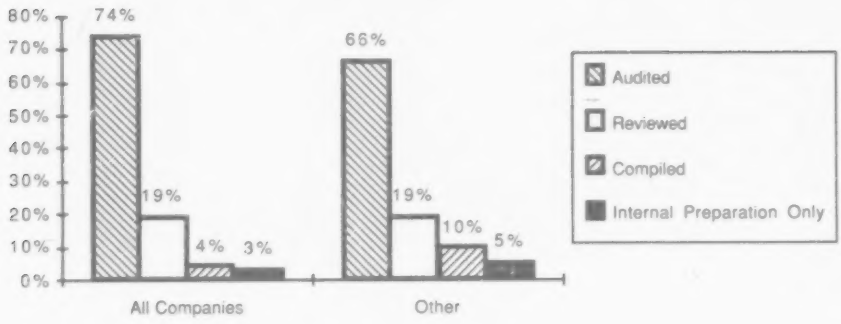
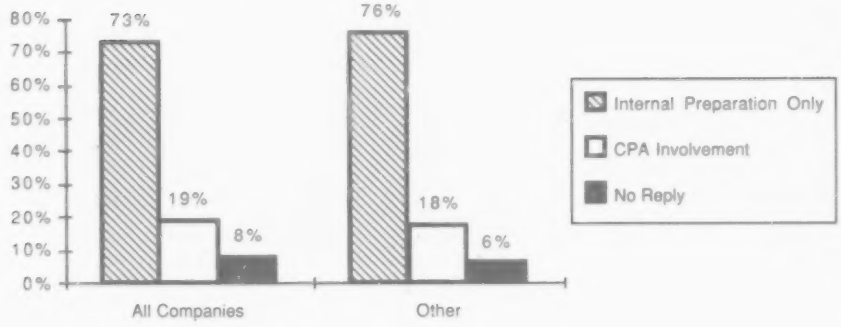
CORPORATE FINANCIAL STATEMENTS

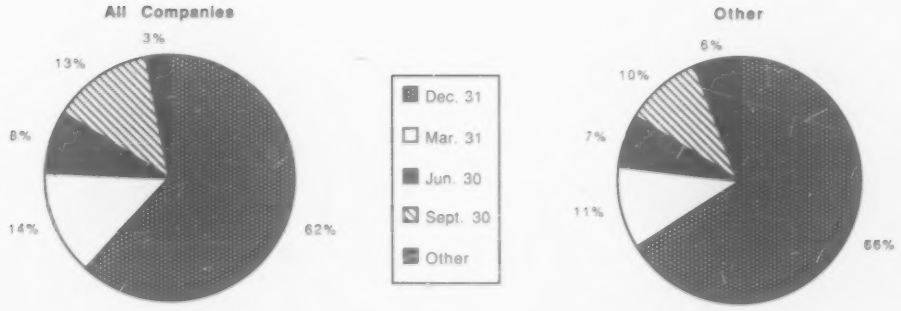
Annual Financial Statements



Interim Financial Statements



Corporate Fiscal Year-End



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OPINIONS

Top Five Areas of Most Challenge in the Next Five Years

	Percent of Companies Selecting Area
Insurance (Workers comp., medical, life, etc.)	74%
Financing Costs	38%
Litigation	24%
Manpower Needs	23%
Federal Tax Legislation	23%

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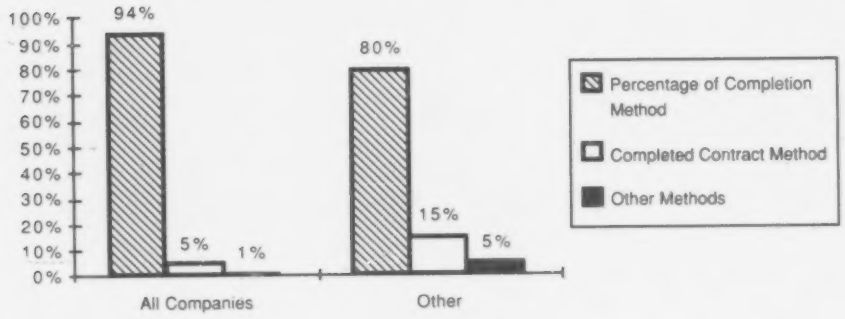
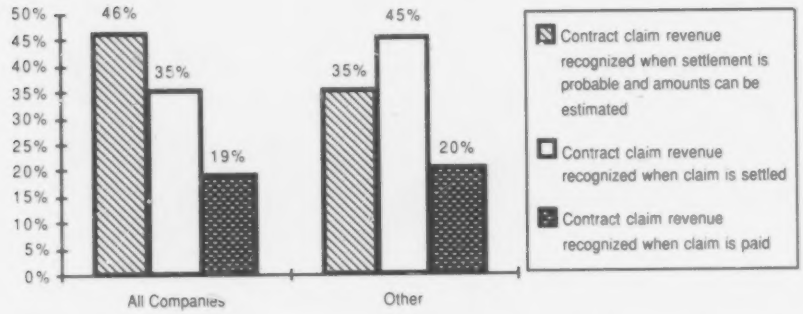
ACCOUNTING POLICIES AND PROCEDURES

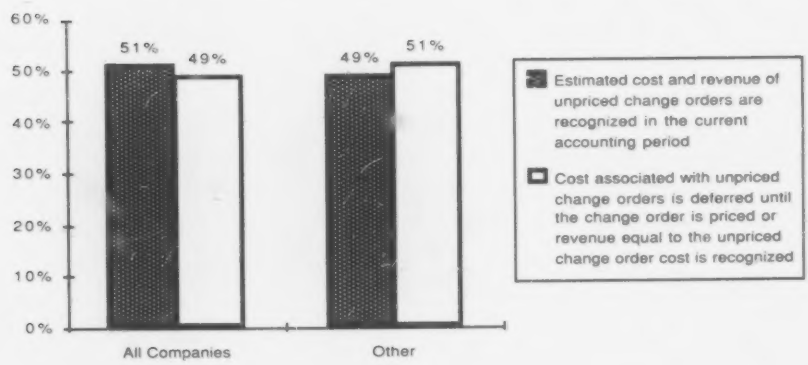
Contract Revenue Recognition



Contract Claim Revenue Recognition



Unpriced Change Order Cost



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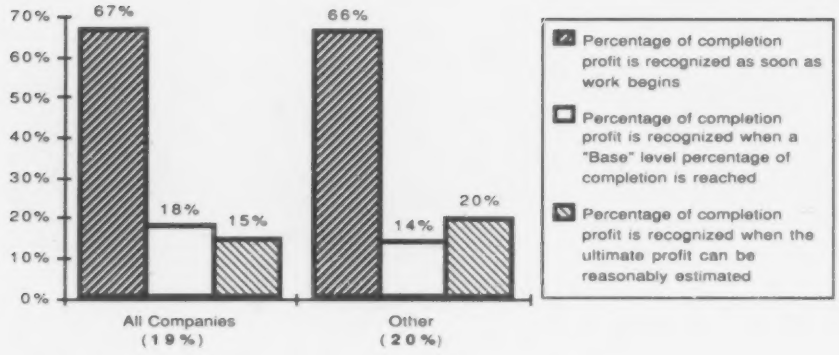
Profit Recognition Practices



The percentages below the names represent the average "base" level of percentage completion at which contract profit recognition begins for those companies using such accounting policy.

Types of Contracts

Type of Contract	Percent of Work Performed	
	All Companies	Other
Fixed Price	58%	52%
Cost Plus-Guaranteed Maximum	12%	11%
Unit Price	11%	8%
Time and Materials	8%	10%
Cost Plus	7%	6%
Construction Management	3%	13%
Others	1%	0%
Total	100%	100%

LENGTH OF CONTRACT

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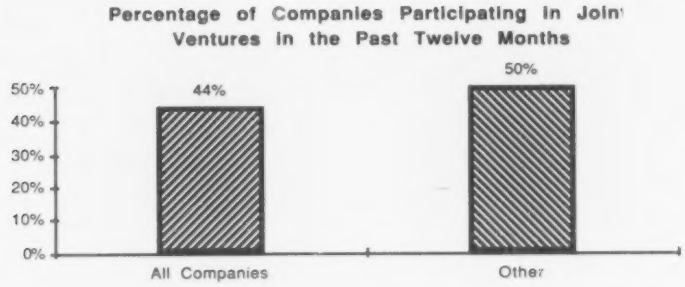

Investments in Joint Ventures

Accounting Method	Percentage of Each Method Used	
	All Companies	Other
Equity Method	51%	52%
Full Consoloidation	14%	22%
Part Equity/Part Consolidation	11%	10%
Proportionate Consolidation	8%	2%
Cost Method	12%	7%
Expanded Equity Method	1%	5%
Other	3%	2%
Total	100%	100%

Depreciation Methods

	Percentage of Each Method Used			
	Straight Line		Accelerated Methods	
Category	All Companies	Other	All Companies	Other
Buildings	84%	75%	16%	25%
Office Equipment & Furniture	66%	57%	34%	43%
Construction Equipment	66%	64%	34%	36%
Automotive Equipment	66%	61%	34%	39%
Land Improvements	81%	71%	19%	29%
Other	75%	63%	25%	37%

Inventory Valuation Methods

Method	Percentage of Each Method Used	
	All Companies	Other
FIFO	43%	36%
Specific Identification	21%	26%
Average Cost	24%	23%
LIFO	9%	11%
Other Methods	3%	4%
Total	100%	100%

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SELECTED FINANCIAL DATA

Other Contractors

	All Companies	Other
Number of Companies	695	63
Assets	$25,141	22,059
Liabilities	17,477	16,081
Net Worth	7,664	5,978
% Net Worth to Assets	30.5	27.1
Revenues	66,568	54,274
Gross Profit	5,951	8,573
% Gross Profit	8.9	15.8
G&A Expenses	4,558	6,675
% to Revenue	6.8	12.3
Net Income	962	1,016
% Net Income	1.4	1.9
Current Ratio	1.4	1.4
Return on Assets (%)	3.8	4.6
Return on Equity (%)	12.6	17.0

Note: All $ Amounts are in Thousands.

Discussion and Analysis

The 63 Other contractors that provided financial data, represent businesses of similar size to the overall composite of all companies. Total assets are only 16% less than the composite of all companies and revenues are approximately 22% less. Net worth as a percentage of assets (27.1%) is lower than the composite for all companies included in the survey. Net income percentage (1.9%) for the Other classification is slightly higher compared to the overall composite percentages. Gross profit percentage is 6.9% higher than the overall composite percentage and, as would be expected, G & A expense percentage is also approximately 6% higher than the overall composite percentage.

The Other current ratio (1.4) is equal to the overall composite current ratio (1.4) but the quick ratio (1.0) is lower than the composite quick ratio (1.1) indicating a less liquid position. Return on assets (4.6%) is greater than the overall composite return (3.8%) reflecting the higher net income of the Other classification. Return on equity decreased by approximately 7% from 1989 reflecting lower net income and higher net worth in 1990.

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OTHER CONTRACTORS
COMPOSITE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$2,426,838	11.0%	$2,498,687	9.0%
Marketable securities and short-term investments	314,863	1.4	144,626	0.5
Receivables:				
Contract receivables currently due	7,049,028	32.0	7,495,162	27.0
Retainages on contracts	1,350,031	6.1	2,007,658	7.2
Unbilled work	182,137	0.8	N/A	N/A
Other receivables	391,138	1.8	773,496	2.8
Less allowance for doubtful accounts	(67,244)	0.3	(142,226)	0.5
Total receivables, net	8,905,091	40.4	10,134,290	36.4
Inventories	3,115,409	14.1	3,305,378	11.9
Costs and recognized earnings in excess of billings on uncompleted contracts	1,038,023	4.7	2,907,700	10.5
Investments in construction joint ventures	135,000	0.6	176,501	0.6
Other current assets	747,025	3.4	481,760	1.7
Total current assets	16,675,450	75.6	19,648,941	70.7
Property, plant and equipment	5,841,907	26.5	10,706,467	38.5
Less accumulated depreciation	(2,466,997)	11.2	(3,692,019)	13.3
Property, plant and equipment, net	3,374,910	15.3	7,014,448	25.2
Other assets	1,970,803	8.9	1,130,122	4.1
Intangible assets	38,002	0.2	9,794	0.0
Total assets	$22,059,165	100.0%	$27,803,305	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities:				
Current portion of long-term debt	$2,503,338	11.3%	$3,913,294	14.1%
Accounts payable:				
Trade, including currently due subcontractors	4,724,073	21.4	6,155,111	22.1
Subcontractor retainages	930,976	4.2	1,559,155	5.6
Other	179,691	0.8	453,299	1.6
Total accounts payable	5,834,739	26.5	8,167,564	29.4
Accrued expenses	1,567,181	7.1	588,375	2.1
Billings in excess of costs and recognized earnings on uncompleted contracts	1,089,572	4.9	1,241,806	4.5
Income taxes:				
Current	231,924	1.1	516,647	1.9
Deferred	326,835	1.5	598,752	2.2
Total income taxes	558,760	2.5	1,115,399	4.0
Other current liabilities	597,792	2.7	436,261	1.6
Total current liabilities	12,151,363	55.1	15,462,698	55.6
Long-term debt, excluding current portion	3,251,637	14.7	6,333,060	22.8
Deferred income taxes	258,648	1.2	151,371	0.5
Other	127,518	0.6	252,814	0.9
Minority interests	290,935	1.3	279,245	1.0
Total liabilities	16,081,099	72.9	22,469,992	80.8
Net worth:				
Stock, par value	335,629	1.5	318,447	1.1
Additional paid-in capital	1,046,523	4.7	1,870,071	6.7
Retained earnings	4,955,128	22.5	4,746,082	17.1
Treasury stock	(359,215)	1.6	(1,601,286)	5.8
Total net worth	5,978,066	27.1	5,333,313	19.2
Total liabilities and net worth	$22,059,165	100.0%	$27,803,305	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$51,760,860	95.4%	$59,340,204	97.1%
Other revenue	2,512,645	4.6	1,773,715	2.9
Total revenue	54,273,505	100.0	61,113,919	100.0
Contract cost	(44,361,574)	81.7	(54,007,898)	88.4
Other cost	(1,338,765)	2.5	(1,446,144)	2.4
Total cost	(45,700,339)	84.2	(55,454,042)	90.7
Gross Profit	8,573,166	15.8	5,659,877	9.3
Selling, general and administrative expenses	(6,674,626)	12.3	(3,555,416)	5.8
Interest income	357,544	0.7	N/A	N/A
Interest expense	(484,966)	0.9	N/A	N/A
Other income (expense), net	(228,547)	0.4	(346,332)	0.6
Net earnings (loss) before taxes	1,542,572	2.8	1,758,128	2.9
Income taxes	(526,716)	1.0	(462,334)	0.8
Net earnings (loss)	$1,015,856	1.9%	$1,295,795	2.1%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	63
1989	42

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.4	1.3
Quick Ratio	1.0	0.8
Days of Cash	16.1	14.7
Work. Cap. Turnover	12.0	14.6
Profitability Ratios		
Return on Assets	4.6%	4.7%
Return on Equity	17.0%	24.3%
Times Interest Earned	4.2	4.0
Leverage Ratios		
Debt to Equity	2.7	4.2
Revenue to Equity	9.1	11.5
Asset Turnover	2.5	2.2
Fixed Asset Ratio	56.5%	131.5%
Equity to G & A Expenses	0.9	1.5
Underbillings to Equity	20.4%	54.5%
Average Backlog to Equity	10.0	10.8
Average Backlog to Working Capital	13.2	11.9
Average Months in Backlog	13.2	5.7
Efficiency Ratios		
Days in Accounts Receivable	59.1	59.7
Days in Inventory	24.5	21.5
Days in Accounts Payable	46.0	53.0
Operating Cycle	53.7	42.9

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SELECTED REGIONAL FINANCIAL DATA

Other Contractors

	All Companies	Regions					
		NE	SE	MW	SW	W	FW
Number of Companies	63	19	7	17	N/A	8	15
Assets	$22,059	22,648	29,568	15,886	-	8,660	29,545
Liabilities	16,081	16,936	20,118	12,137	-	5,506	21,017
Net Worth	5,978	5,712	9,450	3,749	-	3,154	8,529
% Net Worth to Assets	27.1	25.2	32.0	23.6	-	36.4	28.9
Revenues	54,274	61,263	121,162	54,765	-	15,846	33,888
Gross Profit	8,573	15,012	13,710	2,866	-	2,106	8,548
% Gross Profit	15.8	24.5	11.3	5.2	-	13.3	25.2
G&A Expenses	6,675	12,831	8,065	3,345	-	1,592	5,931
% to Revenue	12.3	20.9	6.7	6.1	-	10.0	17.5
Net Income	1,016	1,029	2,781	145	-	381	1,584
% Net Income	1.9	1.7	2.3	0.3	-	2.4	4.7
Current Ratio	1.4	1.3	1.6	1.0		1.7	1.7
Return on Assets (%)	4.6	4.5	9.4	0.9	-	4.4	5.4
Return on Equity (%)	17.0	18.0	29.4	3.9	-	12.1	18.6

Note: All $ amounts are in thousands

Discussion and Analysis

Total assets for Other contractors range from $8.6 million in the West region to $29.6 million in the Southeast. Total assets increased considerably from 1989 for the Northeast and Southeast regions. The Southeast region increased by approximately 260% from 1989. The Other contractors are mainly located in the Northeast, Midwest, and Farwest regions. There were no respondents to the financial data for the Southwest region. Revenues for the Southeast region increased substantially from 1989 and approximately doubled for the Northeast region.

The Southeast region has the highest net income, however, the Farwest has the highest net income percentage (4.7). Return on assets and return on equity is highest in the Southeast region.

Overall, the Other contractors appeared to have a more profitable year in 1990 than in 1989 except for the Farwest and Midwest regions which experienced slight decreases.

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OTHER CONTRACTORS
NORTHEAST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$3,335,020	14.7%	$1,094,885	8.9%
Marketable securities and short-term investments	201,151	0.9	190,669	1.6
Receivables:				
Contract receivables currently due	10,907,797	48.2	3,818,718	31.2
Retainages on contracts	2,285,667	10.1	1,116,927	9.1
Unbilled work	390,533	1.7	N/A	N/A
Other receivables	656,327	2.9	1,052,577	8.6
Less allowance for doubtful accounts	(161,617)	0.7	(151,317)	1.2
Total receivables, net	14,078,706	62.2	5,836,906	47.7
Inventories	1,558,719	6.9	2,417,889	19.8
Costs and recognized earnings in excess of billings on uncompleted contracts	529,009	2.3	686,685	5.7
Investments in construction joint ventures	27,001	0.1	23,085	0.2
Other current assets	557,361	2.5	922,923	7.5
Total current assets	20,287,056	89.6	11,183,023	91.4
Property, plant and equipment	3,394,967	15.0	2,200,995	18.0
Less accumulated depreciation	(1,848,791)	8.2	(1,241,764)	10.1
Property, plant and equipment, net	1,546,176	6.8	959,231	7.8
Other assets	765,010	3.4	97,707	0.8
Intangible assets	49,493	0.2	0	0.0
Total assets	$22,647,737	100.0%	$12,239,961	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$533,418	2.4%	$1,348,504	11.0%
Accounts payable				
Trade, including currently due subcontractors	7,893,545	34.8	3,031,901	24.8
Subcontractor retainages	1,257,756	5.6	214,001	1.7
Other	51,967	0.2	227,567	1.9
Total accounts payable	9,003,367	39.8	3,473,468	28.4
Accrued expenses	1,778,795	7.9	664,270	5.4
Billings in excess of costs and recognized earnings on uncompleted contracts	1,356,058	6.0	1,682,182	13.7
Income taxes				
Current	780,695	3.4	392,934	3.2
Deferred	385,471	1.7	141,516	1.2
Total income taxes	1,166,166	5.1	534,450	4.4
Other current liabilities	1,631,929	7.2	606,892	5.0
Total current liabilities	15,483,731	68.3	8,309,766	67.9
Long-term debt, excluding current portion	1,140,186	5.0	815,629	6.7
Deferred income taxes	223,143	1.0	125,085	1.0
Other	91,226	0.4	5,954	0.0
Minority interests	17,830	0.1	0	0.0
Total liabilities	16,936,117	74.8	9,256,634	75.6
Net worth				
Stock, par value	409,451	1.8	149,035	1.2
Additional paid-in capital	279,866	1.2	4,495,870	36.7
Retained earnings	5,829,374	25.7	(1,607,429)	-13.1
Treasury stock	(807,071)	3.6	(54,150)	0.4
Total net worth	5,711,620	25.2	2,983,327	24.4
Total liabilities and net worth	$22,647,737	100.0%	$12,239,961	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$58,411,451	95.3%	$35,574,687	99.8%
Other revenue	2,851,734	4.7	88,145	0.2
Total revenue	61,263,185	100.0	35,662,832	100.0
Contract cost	(44,090,999)	72.0	(29,000,383)	81.3
Other cost	(2,159,723)	3.5	(511,105)	1.4
Total cost	(46,250,722)	75.5	(29,511,489)	82.8
Gross Profit	15,012,463	24.5	6,151,343	17.2
Selling, general and administrative expenses	(12,831,072)	20.9	(4,755,544)	13.3
Interest income	537,437	0.9	N/A	N/A
Interest expense	(316,119)	0.5	N/A	N/A
Other income (expense), net	(177,012)	0.3	74,628	0.2
Net earnings (loss) before taxes	2,225,696	3.6	1,470,426	4.1
Income taxes	(1,196,638)	2.0	(728,766)	2.0
Net earnings (loss)	$1,029,059	1.7%	$741,661	2.1%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	19
1989	10

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.3	1.3
Quick Ratio	1.1	0.9
Days of Cash	19.6	11.1
Work. Cap. Turnover	12.7	12.4
Profitability Ratios		
Return on Assets	4.5%	8.1%
Return on Equity	18.0%	24.9%
Times Interest Earned	8.0	-7.0
Leverage Ratios		
Debt to Equity	3.0	3.1
Revenue to Equity	10.7	12.0
Asset Turnover	2.7	2.9
Fixed Asset Ratio	27.1%	32.2%
Equity to G & A Expenses	0.4	0.6
Underbillings to Equity	16.1%	23.4%
Average Backlog to Equity	10.8	14.8
Average Backlog to Working Capital	12.7	-29.3
Average Months in Backlog	12.0	9.2
Efficiency Ratios		
Days in Accounts Receivable	82.7	58.9
Days in Inventory	12.1	29.5
Days in Accounts Payable	70.1	42.4
Operating Cycle	44.4	57.1

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OTHER CONTRACTORS
SOUTHEAST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$7,248,064	24.5%	$1,789,544	21.9%
Marketable securities and short-term investments	0	0.0	219,324	2.7
Receivables:				
Contract receivables currently due	10,441,144	35.3	3,878,161	47.5
Retainages on contracts	125,601	0.4	325,637	4.0
Unbilled work	259,383	0.9	N/A	N/A
Other receivables	183,969	0.6	184,179	2.3
Less allowance for doubtful accounts	(13,354)	0.0	(26,003)	0.3
Total receivables, net	11,006,743	37.2	4,361,973	53.4
Inventories	544,080	1.8	593,457	7.3
Costs and recognized earnings in excess of billings on uncompleted contracts	2,732,972	9.2	280,688	3.4
Investments in construction joint ventures	0	0.0	0	0.0
Other current assets	1,869,133	6.3	119,306	1.5
Total current assets	23,400,992	79.1	7,364,292	90.1
Property, plant and equipment	6,589,983	22.3	1,254,364	15.4
Less accumulated depreciation	(1,386,325)	4.7	(619,185)	7.6
Property, plant and equipment, net	5,203,657	17.6	635,179	7.8
Other assets	924,429	3.1	140,722	1.7
Intangible assets	38,887	0.1	31,337	0.4
Total assets	$29,567,966	100.0%	$8,171,530	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$415,909	1.4%	$940,549	11.5%
Accounts payable				
Trade, including currently due subcontractors	3,617,091	12.2	1,401,005	17.1
Subcontractor retainages	0	0.0	75,333	0.9
Other	98,384	0.3	16,667	0.2
Total accounts payable	3,715,476	12.6	1,493,005	18.3
Accrued expenses	6,355,254	21.5	394,445	4.8
Billings in excess of costs and recognized earnings on uncompleted contracts	3,611,848	12.2	1,417,284	17.3
Income taxes				
Current	493,430	1.7	151,986	1.9
Deferred	129	0.0	144,331	1.8
Total income taxes	493,558	1.7	296,317	3.6
Other current liabilities	6,429	0.0	30,487	0.4
Total current liabilities	14,598,471	49.4	4,572,086	56.0
Long-term debt, excluding current portion	4,931,233	16.7	1,396,534	17.1
Deferred income taxes	374,947	1.3	4,207	0.1
Other	190,909	0.6	128,653	1.6
Minority interests	22,330	0.1	0	0.0
Total liabilities	20,117,889	68.0	6,101,480	74.7
Net worth				
Stock, par value	492,312	1.7	549,645	6.7
Additional paid-in capital	1,125,831	3.8	242,898	3.0
Retained earnings	7,831,934	26.5	1,277,507	15.6
Treasury stock	0	0.0	0	0.0
Total net worth	9,450,078	32.0	2,070,050	25.3
Total liabilities and net worth	$29,567,966	100.0%	$8,171,530	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$121,162,464	100.0%	$22,047,075	95.3%
Other revenue	0	0.0	1,080,240	4.7
Total revenue	121,162,464	100.0	23,127,315	100.0
Contract cost	(107,452,052)	88.7	(18,058,583)	78.1
Other cost	0	0.0	(818,532)	3.5
Total cost	(107,452,052)	88.7	(18,877,115)	81.6
Gross Profit	13,710,412	11.3	4,250,200	18.4
Selling, general and administrative expenses	(8,064,760)	6.7	(2,056,465)	8.9
Interest income	291,050	0.2	N/A	N/A
Interest expense	(1,068,583)	0.9	N/A	N/A
Other income (expense), net	(253,944)	0.2	(120,765)	0.5
Net earnings (loss) before taxes	4,614,175	3.8	2,072,969	9.0
Income taxes	(1,833,400)	1.5	(839,322)	3.6
Net earnings (loss)	$2,780,775	2.3%	$1,233,647	5.3%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	7
1989	7

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.6	1.8
Quick Ratio	1.3	1.4
Days of Cash	21.5	27.9
Work. Cap. Turnover	13.8	8.3
Profitability Ratios		
Return on Assets	9.4%	15.1%
Return on Equity	29.4%	59.6%
Times Interest Earned	5.3	18.4
Leverage Ratios		
Debt to Equity	2.1	2.9
Revenue to Equity	12.8	11.2
Asset Turnover	4.1	2.8
Fixed Asset Ratio	55.1%	30.7%
Equity to G & A Expenses	1.2	1.0
Underbillings to Equity	31.8%	13.0%
Average Backlog to Equity	8.1	23.5
Average Backlog to Working Capital	8.7	9.9
Average Months in Backlog	7.6	11.4
Efficiency Ratios		
Days in Accounts Receivable	32.7	67.9
Days in Inventory	1.8	11.3
Days in Accounts Payable	12.4	28.5
Operating Cycle	43.6	78.6

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OTHER CONTRACTORS
MIDWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$594,508	3.7%	$436,018	2.8%
Marketable securities and short-term investments	422,203	2.7	217,851	1.4
Receivables:				
Contract receivables currently due	6,056,663	38.1	9,405,090	61.0
Retainages on contracts	2,256,535	14.2	2,448,708	15.9
Unbilled work	118,739	0.7	N/A	N/A
Other receivables	418,003	2.6	380,661	2.5
Less allowance for doubtful accounts	(2,728)	0.0	(32,958)	0.2
Total receivables, net	8,847,212	55.7	12,201,501	79.1
Inventories	276,768	1.7	389,459	2.5
Costs and recognized earnings in excess of billings on uncompleted contracts	455,629	2.9	196,905	1.3
Investments in construction joint ventures	12,839	0.1	9,730	0.1
Other current assets	302,479	1.9	282,089	1.8
Total current assets	10,911,439	68.7	13,733,554	89.0
Property, plant and equipment	3,006,885	18.9	1,382,936	9.0
Less accumulated depreciation	(1,846,643)	11.6	(696,072)	4.5
Property, plant and equipment, net	1,160,222	7.3	686,864	4.5
Other assets	3,809,344	24.0	1,002,947	6.5
Intangible assets	5,145	0.0	225	0.0
Total assets	$15,886,149	100.0%	$15,423,590	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$2,326,307	14.6%	$622,668	4.0%
Accounts payable				
Trade, including currently due subcontractors	5,108,771	32.2	7,148,829	46.3
Subcontractor retainages	1,693,417	10.7	2,003,064	13.0
Other	237,661	1.5	232	0.0
Total accounts payable	7,039,849	44.3	9,152,124	59.3
Accrued expenses	677,985	4.3	738,294	4.8
Billings in excess of costs and recognized earnings on uncompleted contracts	830,534	5.2	827,788	5.4
Income taxes				
Current	(268,369)	1.7	(185,000)	1.2
Deferred	332,122	2.1	496,942	3.2
Total income taxes	63,752	0.4	311,942	2.0
Other current liabilities	8,389	0.1	10,354	0.1
Total current liabilities	10,946,816	68.9	11,663,169	75.6
Long-term debt, excluding current portion	1,070,788	6.7	941,068	6.1
Deferred income taxes	52,324	0.3	16,333	0.1
Other	55,462	0.3	55,187	0.4
Minority interests	11,400	0.1	(13,144)	0.1
Total liabilities	12,136,790	76.4	12,662,614	82.1
Net worth				
Stock, par value	175,114	1.1	323,601	2.1
Additional paid-in capital	1,053,119	6.6	31,102	0.2
Retained earnings	2,830,529	17.8	2,417,893	15.7
Treasury stock	(309,403)	1.9	(11,621)	0.1
Total net worth	3,749,360	23.6	2,760,975	17.9
Total liabilities and net worth	$15,886,149	100.0%	$15,423,590	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$52,560,856	96.0%	$92,894,487	99.1%
Other revenue	2,204,623	4.0	860,180	0.9
Total revenue	54,765,480	100.0	93,754,667	100.0
Contract cost	(51,366,435)	93.8	(89,373,492)	95.3
Other cost	(533,500)	1.0	(824,246)	0.9
Total cost	(51,899,935)	94.8	(90,197,738)	96.2
Gross Profit	2,865,545	5.2	3,556,928	3.8
Selling, general and administrative expenses	(3,345,128)	6.1	(2,875,575)	3.1
Interest income	364,164	0.7	N/A	N/A
Interest expense	(219,405)	0.4	N/A	N/A
Other income (expense), net	164,215	0.3	294,627	0.3
Net earnings (loss) before taxes	(170,609)	0.3	975,980	1.0
Income taxes	315,665	0.6	(315,896)	0.3
Net earnings (loss)	$145,056	0.3%	$660,085	0.7%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	17
1989	8

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.0	1.2
Quick Ratio	0.9	1.1
Days of Cash	3.9	1.7
Work. Cap. Turnover	-1548.1	45.3
Profitability Ratios		
Return on Assets	0.9%	4.3%
Return on Equity	3.9%	23.9%
Times Interest Earned	0.2	0.8
Leverage Ratios		
Debt to Equity	3.2	4.6
Revenue to Equity	14.6	34.0
Asset Turnover	3.4	6.1
Fixed Asset Ratio	30.9%	26.9%
Equity to G & A Expenses	1.1	1.0
Underbillings to Equity	15.3%	7.1%
Average Backlog to Equity	21.8	24.8
Average Backlog to Working Capital	-2305.8	24.4
Average Months in Backlog	17.9	7.4
Efficiency Ratios		
Days in Accounts Receivable	58.2	46.9
Days in Inventory	1.9	1.6
Days in Accounts Payable	48.8	36.5
Operating Cycle	15.2	13.6

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OTHER CONTRACTORS
WEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants			1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
Current assets					Current liabilities				
Cash and cash equivalents	$490,703	5.7%	$5,095,733	29.8%	Current portion of long-term debt	$346,793	4.0%	$147,981	0.9%
Marketable securities and short-term investments	958,178	11.1	0	0.0	Accounts payable				
Receivables:					Trade, including currently due subcontractors	1,220,868	14.1	2,227,519	13.0
Contract receivables currently due	1,796,879	20.7	6,793,560	39.7	Subcontractor retainages	177,196	2.0	0	0.0
Retainages on contracts	337,447	3.9	87,161	0.5	Other	3,068	0.0	2,869,138	16.8
Unbilled Work	22,314	0.3	N/A	N/A					
Other receivables	79,592	0.9	0	0.0	Total accounts payable	1,401,132	16.2	5,096,658	29.8
Less allowance for doubtful accounts	(25,639)	0.3	0	0.0					
					Accrued expenses	407,009	4.7	1,287,126	7.5
Total receivables, net	2,210,593	25.5	6,880,722	40.2	Billings in excess of costs and recognized earnings on uncompleted contracts	321,526	3.7	2,087,551	12.2
Inventories	351,434	4.1	2,354,015	13.8	Income taxes				
Costs and recognized earnings in excess of billings on uncompleted contracts	221,731	2.6	279,993	1.6	Current	8,623	0.1	491,600	2.9
Investments in construction joint ventures	0	0.0	5,129	0.0	Deferred	177,822	2.1	0	0.0
Other current assets	334,701	3.9	378,355	2.2	Total income taxes	186,445	2.2	491,600	2.9
					Other current liabilities	575	0.0	(25,528)	0.1
Total current assets	4,567,339	52.7	14,993,946	87.7	Total current liabilities	2,663,479	30.8	9,085,388	53.1
Property, plant and equipment	7,625,316	88.1	2,534,343	14.8	Long-term debt, excluding current portion				
Less accumulated depreciation	(4,541,276)	52.4	(1,808,524)	10.6	Deferred income taxes	1,985,833	23.0	3,139,892	18.4
Property, plant and equipment, net	3,084,040	35.6	725,819	4.2	Other	588,033	6.8	2,253,510	13.2
					Minority interests	232,063	2.7	294,305	1.7
Other assets	996,543	11.5	1,271,383	7.4		31,403	0.4	1,091,144	6.1
Intangible assets	11,939	0.1	112,087	0.7	Total liabilities	5,505,617	63.6	15,823,240	92.5
					Net worth				
					Stock, par value	122,143	1.4	13,485	0.1
					Additional paid-in capital	173,376	2.0	0	0.0
					Retained earnings	2,861,343	33.0	(163,043)	1.0
					Treasury stock	(2,619)	0.0	1,429,553	8.4
					Total net worth	3,154,244	36.4	1,279,995	7.5
Total assets	$8,659,861	100.0%	$17,103,235	100.0%	Total liabilities and net worth	$8,659,861	100.0%	$17,103,235	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$14,175,583	89.5%	$23,032,241	98.0%
Other revenue	1,670,710	10.5	469,851	2.0
Total revenue	15,846,293	100.0	23,502,092	100.0
Contract cost	(12,360,412)	78.0	(20,845,419)	88.7
Other cost	(1,380,271)	8.7	(77,515)	0.3
Total cost	(13,740,683)	86.7	(20,922,934)	89.0
Gross Profit	2,105,610	13.3	2,579,158	11.0
Selling, general and administrative expenses	(1,591,866)	10.0	(2,629,537)	11.2
Interest income	193,582	1.2	N/A	N/A
Interest expense	(328,610)	2.1	N/A	N/A
Other income (expense), net	129,826	0.8	(294,342)	1.3
Net earnings (loss) before taxes	498,541	3.1	(344,721)	1.5
Income taxes	(117,122)	0.7	55,902	0.2
Net earnings (loss)	$381,419	2.4%	(288,820)	1.2%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	8
1989	2

Financial Ratios

	1990 Participants	1989 Participants
Liquidity Ratios		
Current Ratio	1.7	1.7
Quick Ratio	1.4	1.3
Days of Cash	11.1	78.1
Work. Cap. Turnover	8.3	4.0
Profitability Ratios		
Return on Assets	4.4%	-1.7%
Return on Equity	12.1%	-22.6%
Times Interest Earned	2.5	-0.4
Leverage Ratios		
Debt to Equity	1.7	12.4
Revenue to Equity	5.0	18.4
Asset Turnover	1.8	1.4
Fixed Asset Ratio	97.8%	56.7%
Equity to G & A Expenses	2.0	0.5
Underbillings to Equity	7.7%	21.9%
Average Backlog to Equity	5.1	13.9
Average Backlog to Working Capital	8.4	8.0
Average Months in Backlog	12.1	57.6
Efficiency Ratios		
Days in Accounts Receivable	50.2	105.4
Days in Inventory	9.2	40.5
Days in Accounts Payable	36.7	87.7
Operating Cycle	33.9	138.3

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OTHER CONTRACTORS
FARWEST REGION

BALANCE SHEET

	1990 Participants		1989 Participants			1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
Current assets					Current liabilities				
Cash and cash equivalents	$2,035,107	6.9%	$2,651,011	8.5%	Current portion of long-term debt	$6,418,822	21.7%	$11,966,893	38.0%
Marketable securities and short-term investments	60,123	0.2	15,857	0.1	Accounts payable				
Receivables:					Trade, including currently due subcontractors	2,736,243	9.3	2,126,290	6.8
Contract receivables currently due	4,265,087	14.4	2,848,772	9.1	Subcontractor retainages	129,490	0.4	203,357	0.7
Retainages on contracts	197,232	0.7	200,768	0.6	Other	481,766	1.6	35,917	0.1
Unbilled work	307,297	1.0	N/A	N/A					
Other receivables	325,074	1.1	1,025,981	3.3	Total accounts payable	3,327,499	11.3	2,359,564	7.5
Less allowance for doubtful accounts	(68,493)	0.2	(308,323)	1.0					
					Accrued expenses	754,973	2.6	350,099	1.1
Total receivables, net	5,026,198	17.0	3,767,198	12.1	Billings in excess of costs and recognized earnings on uncompleted contracts	370,952	1.3	329,034	1.1
Inventories	10,801,168	36.6	8,037,738	25.7	Income taxes				
Costs and recognized earnings in excess of billings on uncompleted contracts	334,644	1.1	432,818	1.4	Current	129,486	0.4	37,421	0.1
Investments in construction joint ventures	531,614	1.8	258,983	0.8	Deferred	534,902	1.8	548,918	1.8
Other current assets	1,493,492	5.1	276,511	0.9	Total income taxes	664,387	2.2	586,339	1.9
					Other current liabilities	506,862	1.7	559,061	1.8
Total current assets	20,282,345	68.6	15,440,116	49.5	Total current liabilities	12,043,495	40.8	16,046,791	51.4
Property, plant and equipment	10,479,394	35.5	18,074,929	57.9					
Less accumulated depreciation	(3,361,500)	11.4	(3,506,946)	11.2	Long-term debt, excluding current portion	7,445,321	25.2	10,168,806	32.6
					Deferred income taxes	241,826	0.8	36,515	0.1
Property, plant and equipment, net	7,117,894	24.1	14,567,983	46.7	Other	126,727	0.4	199,416	0.6
					Minority interests	1,139,437	3.9	812,004	2.6
Other assets	2,068,634	7.0	1,212,724	3.9	Total liabilities	21,016,807	71.1	27,253,531	87.3
Intangible assets	76,507	0.3	161	0.0					
					Net worth				
					Stock, par value	416,350	1.4	251,453	0.8
					Additional paid-in capital	2,099,989	7.1	853,568	2.7
					Retained earnings	6,218,773	21.0	2,862,434	9.2
					Treasury stock	(206,539)	0.7	0	0.0
					Total net worth	8,528,573	28.9	3,967,453	12.7
Total assets	$29,545,380	100.0%	$31,220,984	100.0%	Total liabilities and net worth	$29,545,380	100.0%	$31,220,984	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$30,196,845	89.1%	$27,230,011	85.2%
Other revenue	3,691,174	10.9	4,722,870	14.8
Total revenue	33,888,019	100.0	31,952,881	100.0
Contract cost	(23,810,351)	70.3	(22,760,187)	71.2
Other cost	(1,529,745)	4.5	(3,458,667)	10.8
Total cost	(25,340,096)	74.8	(26,218,854)	82.1
Gross Profit	8,547,923	25.2	5,734,027	17.9
Selling, general and administrative expenses	(5,930,856)	17.5	(2,850,398)	8.9
Interest income	191,808	0.6	N/A	N/A
Interest expense	(404,818)	1.2	N/A	N/A
Other income (expense), net	(656,319)	1.9	(124,273)	0.4
Net earnings (loss) before taxes	1,747,737	5.2	2,759,356	8.6
Income taxes	(163,896)	0.5	(324,417)	1.0
Net earnings (loss)	$1,583,841	4.7%	$2,434,939	7.6%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	15
1989	12

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.7	1.0
Quick Ratio	0.6	0.4
Days of Cash	21.6	29.9
Work. Cap. Turnover	4.1	-52.7
Profitability Ratios		
Return on Assets	5.4%	7.8%
Return on Equity	18.6%	61.4%
Times Interest Earned	5.3	41.9
Leverage Ratios		
Debt to Equity	2.5	6.9
Revenue to Equity	4.0	8.1
Asset Turnover	1.1	1.0
Fixed Asset Ratio	83.5%	367.2%
Equity to G & A Expenses	1.4	1.4
Underbillings to Equity	7.5%	10.9%
Average Backlog to Equity	1.8	5.3
Average Backlog to Working Capital	1.8	6.4
Average Months in Backlog	5.3	3.0
Efficiency Ratios		
Days in Accounts Receivable	53.4	42.4
Days in Inventory	153.4	110.4
Days in Accounts Payable	47.3	32.3
Operating Cycle	181.2	150.3

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SELECTED SIZE FINANCIAL DATA

Other Contractors

		Annual Volume		
	All Companies	Less than $10 Million	$10-50 Million	Over $50 Million
Number of Companies	63	25	24	14
Assets	$22,059	7,088	11,035	67,693
Liabilities	16,081	3,910	8,102	51,494
Net Worth	5,978	3,178	2,933	16,199
% Net Worth to Assets	27.1	44.8	26.6	23.9
Revenues	54,274	4,394	24,859	186,643
Gross Profit	8,573	965	3,465	29,828
% Gross Profit	15.8	22.0	13.9	16.0
G&A Expenses	6,675	622	2,559	23,718
% to Revenue	12.3	14.1	10.3	12.7
Net Income	1,016	262	505	3,131
% Net Income	1.9	6.0	2.0	1.7
Current Ratio	1.4	1.2	1.6	1.3
Return on Assets (%)	4.6	3.7	4.6	4.6
Return on Equity (%)	17.0	8.2	17.2	19.3

Note: All $ amounts are in thousands

Discussion and Analysis

Fourteen companies are included in the over $50 million annual volume category. These very large companies have a composite revenue of $186.6 million, far in excess of the 49 other companies included in the Other classification. These 14 companies show a composite net income of $3.1 million.

The over $50 million category has the highest net income, however, the less than $10 million category has the highest gross profit percentage (22%) G & A expense percentage (14.1%) and net income percentage (6%). All categories have stable current ratios from 1.2 to 1.6 which are in line with the overall composite current ratio. Return on assets and return on equity for all categories are relatively consistent with the overall composite except for the less than $10 million category which contains ratios lower than the overall composite.

As compared to 1989, the categories of less than $10 million and $10 - 50 million experienced a more profitable year in 1990, while the over $50 million category dropped in net income by approximately $1.1 million.

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OTHER CONTRACTORS
LESS THAN $10 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$296,176	4.2%	$146,938	2.2%
Marketable securities and short-term investments	10,934	0.2	22,891	0.3
Receivables:				
Contract receivables currently due	1,149,400	16.2	1,286,845	19.4
Retainages on contracts	92,653	1.3	35,175	0.5
Unbilled work	34,193	0.5	N/A	N/A
Other receivables	41,177	0.6	661,427	10.0
Less allowance for doubtful accounts	(1,811)	0.0	(364,335)	5.5
Total receivables, net	1,315,612	18.6	1,619,112	24.4
Inventories	922,400	13.0	3,219	0.0
Costs and recognized earnings in excess of billings on uncompleted contracts	87,960	1.2	100,277	1.5
Investments in construction joint ventures	26,577	0.4	37	0.0
Other current assets	207,006	2.9	55,033	0.8
Total current assets	2,866,666	40.4	1,947,506	29.4
Property, plant and equipment	4,498,474	63.5	4,803,362	72.5
Less accumulated depreciation	(1,417,064)	20.0	(392,035)	5.9
Property, plant and equipment, net	3,081,410	43.5	4,411,327	66.6
Other assets	1,089,877	15.4	264,095	4.0
Intangible assets	49,799	0.7	0	0.0
Total assets	$7,087,752	100.0%	$6,622,928	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$356,073	5.0%	$127,580	1.9%
Accounts payable				
Trade, including currently due subcontractors	750,455	10.6	643,276	9.7
Subcontractor retainages	3,750	0.1	153,935	2.3
Other	127,605	1.8	54,450	0.8
Total accounts payable	881,810	12.4	851,660	12.9
Accrued expenses	58,102	0.8	64,147	1.0
Billings in excess of costs and recognized earnings on uncompleted contracts	47,438	0.7	551,630	8.3
Income taxes				
Current	21,260	0.3	72,297	1.1
Deferred	252,259	3.6	489,144	7.4
Total income taxes	273,518	3.9	561,440	8.5
Other current liabilities	766,356	10.8	51,826	0.8
Total current liabilities	2,383,298	33.6	2,208,263	33.3
Long-term debt, excluding current portion	1,497,523	21.1	3,673,998	55.5
Deferred income taxes	4,806	0.1	44,977	0.7
Other	20,150	0.3	121	0.0
Minority interests	4,158	0.1	3,867	0.1
Total liabilities	3,909,936	55.2	5,931,226	89.6
Net worth				
Stock, par value	273,724	3.9	326,856	4.9
Additional paid-in capital	45,569	0.6	352,038	5.3
Retained earnings	2,872,656	40.5	12,808	0.2
Treasury stock	(14,133)	0.2	0	0.0
Total net worth	3,177,816	44.8	691,702	10.4
Total liabilities and net worth	$7,087,752	100.0%	$6,622,928	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$4,276,723	97.3%	$4,215,466	76.4%
Other revenue	117,566	2.7	1,305,695	23.6
Total revenue	4,394,289	100.0	5,521,160	100.0
Contract cost	(3,361,287)	76.5	(2,967,065)	53.7
Other cost	(67,856)	1.5	(554,086)	10.0
Total cost	(3,429,143)	78.0	(3,521,151)	63.8
Gross Profit	965,146	22.0	2,000,009	36.2
Selling, general and administrative expenses	(621,748)	14.1	(851,120)	15.4
Interest income	22,087	0.5	N/A	N/A
Interest expense	(32,041)	0.7	N/A	N/A
Other income (expense), net	(58,142)	1.3	(909,065)	16.5
Net earnings (loss) before taxes	275,301	6.3	239,824	4.3
Income taxes	(13,629)	0.3	(205,586)	3.7
Net earnings (loss)	$261,672	6.0%	$34,238	0.6%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	25
1989	9

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.2	0.9
Quick Ratio	0.7	0.8
Days of Cash	24.3	9.6
Work. Cap. Turnover	9.1	-21.2
Profitability Ratios		
Return on Assets	3.7%	0.5%
Return on Equity	8.2%	4.9%
Times Interest Earned	9.6	11.4
Leverage Ratios		
Debt to Equity	1.2	8.6
Revenue to Equity	1.4	8.0
Asset Turnover	0.6	0.8
Fixed Asset Ratio	97.0%	637.7%
Equity to G & A Expenses	5.1	0.8
Underbillings to Equity	3.8%	14.5%
Average Backlog to Equity	3.6	8.1
Average Backlog to Working Capital	23.7	10.5
Average Months in Backlog	31.3	3.9
Efficiency Ratios		
Days in Accounts Receivable	107.8	105.6
Days in Inventory	98.8	0.3
Days in Accounts Payable	92.6	87.1
Operating Cycle	136.3	28.4

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OTHER CONTRACTORS
$10 - 50 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$939,723	8.5%	$1,936,651	13.5%
Marketable securities and short-term investments	665,474	6.0	128,973	0.9
Receivables:				
Contract receivables currently due	3,896,602	35.3	3,262,358	22.7
Retainages on contracts	620,114	5.6	418,407	2.9
Unbilled work	215,824	2.0	N/A	N/A
Other receivables	222,130	2.0	285,231	2.0
Less allowance for doubtful accounts	(45,413)	0.4	(32,611)	0.2
Total receivables, net	4,909,256	44.5	3,933,186	27.3
Inventories	726,743	6.6	1,597,533	11.1
Costs and recognized earnings in excess of billings on uncompleted contracts	1,455,503	13.2	412,802	2.9
Investments in construction joint ventures	10,995	0.1	183,088	1.3
Other current assets	243,179	2.2	252,362	1.8
Total current assets	8,950,878	81.1	8,444,594	58.7
Property, plant and equipment	3,363,851	30.5	7,060,801	49.1
Less accumulated depreciation	(1,848,685)	16.8	(1,478,117)	10.3
Property, plant and equipment, net	1,515,166	13.7	5,582,685	38.8
Other assets	549,051	5.0	342,954	2.4
Intangible assets	19,440	0.2	20,249	0.1
Total assets	$11,034,533	100.0%	$14,390,482	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$1,203,670	10.9%	$985,266	6.8%
Accounts payable				
Trade, including currently due subcontractors	2,454,189	22.2	2,132,531	14.8
Subcontractor retainages	426,529	3.9	170,410	1.2
Other	268,778	2.4	276,380	1.9
Total accounts payable	3,149,496	28.5	2,579,320	17.9
Accrued expenses	491,459	4.5	431,299	3.0
Billings in excess of costs and recognized earnings on uncompleted contracts	563,467	5.1	837,949	5.8
Income taxes				
Current	60,558	0.5	107,524	0.7
Deferred	71,801	0.7	51,872	0.4
Total income taxes	132,359	1.2	159,396	1.1
Other current liabilities	206,763	1.9	198,541	1.4
Total current liabilities	5,747,214	52.1	5,191,772	36.1
Long-term debt, excluding current portion	1,650,042	15.0	5,302,905	36.9
Deferred income taxes	456,678	4.1	288,187	2.0
Other	240,212	2.2	67,451	0.5
Minority interests	7,617	0.1	528,063	3.7
Total liabilities	8,101,762	73.4	11,378,379	79.1
Net worth				
Stock, par value	204,835	1.9	261,444	1.8
Additional paid-in capital	445,883	4.0	2,569,178	17.9
Retained earnings	2,678,504	24.3	337,209	2.3
Treasury stock	(396,451)	3.6	(155,726)	1.1
Total net worth	2,932,771	26.6	3,012,103	20.9
Total liabilities and net worth	$11,034,533	100.0%	$14,390,482	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$24,125,291	97.0%	$23,005,168	99.7%
Other revenue	733,391	3.0	76,587	0.3
Total revenue	24,858,682	100.0	23,081,755	100.0
Contract cost	(20,556,993)	82.7	(19,435,458)	84.2
Other cost	(836,432)	3.4	(319,909)	1.4
Total cost	(21,393,425)	86.1	(19,755,367)	85.6
Gross Profit	3,465,257	13.9	3,326,389	14.4
Selling, general and administrative expenses	(2,558,547)	10.3	(2,697,776)	11.7
Interest income	125,474	0.5	N/A	N/A
Interest expense	(234,175)	0.9	N/A	N/A
Other income (expense), net	(127,612)	0.5	(181,611)	0.8
Net earnings (loss) before taxes	670,397	2.7	447,002	1.9
Income taxes	(165,877)	0.7	(89,376)	0.4
Net earnings (loss)	$504,520	2.0%	$357,626	1.5%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	24
1989	21

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.6	1.6
Quick Ratio	1.1	1.2
Days of Cash	13.6	30.2
Work. Cap. Turnover	7.8	7.1
Profitability Ratios		
Return on Assets	4.6%	2.5%
Return on Equity	17.2%	11.9%
Times Interest Earned	3.9	21.2
Leverage Ratios		
Debt to Equity	2.8	3.8
Revenue to Equity	8.5	7.7
Asset Turnover	2.3	1.6
Fixed Asset Ratio	51.7%	185.3%
Equity to G & A Expenses	1.1	1.1
Underbillings to Equity	57.0%	13.7%
Average Backlog to Equity	5.6	13.0
Average Backlog to Working Capital	5.1	-9.8
Average Months in Backlog	8.0	12.3
Efficiency Ratios		
Days in Accounts Receivable	71.1	61.3
Days in Inventory	12.2	28.1
Days in Accounts Payable	53.0	47.0
Operating Cycle	43.9	73.7

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OTHER CONTRACTORS
OVER $50 MILLION REVENUE

BALANCE SHEET

	1990 Participants		1989 Participants			1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
Current assets					Current liabilities				
Cash and cash equivalents	$8,746,628	12.9%	$5,772,907	7.9%	Current portion of long-term debt	$8,562,083	12.8%	$12,668,983	17.4%
Marketable securities and short-term investments	264,911	0.4	291,748	0.4	Accounts payable				
Receivables:					Trade, including currently due subcontractors	15,898,029	23.2	18,502,046	25.5
Contract receivables currently due	23,006,847	34.0	21,160,018	29.0	Subcontractor retainages	3,427,337	5.1	5,395,849	7.4
Retainages on contracts	4,841,519	7.2	6,784,978	9.3	Other	157,334	0.2	1,151,953	1.6
Unbilled work	381,518	0.6	N/A	N/A					
Other receivables	1,303,287	1.9	1,859,915	2.5	Total accounts payable	19,282,400	28.5	25,149,884	34.4
Less allowance for doubtful accounts	(219,841)	0.3	(180,220)	0.2	Accrued expenses	6,094,744	9.0	1,333,899	1.8
Total receivables, net	29,313,329	43.3	29,624,691	40.6	Billings in excess of costs and recognized earnings on uncompleted contracts	3,849,487	5.7	2,756,076	3.8
Inventories	11,106,117	16.4	9,549,211	13.1	Income taxes				
Costs and recognized earnings in excess of billings on uncompleted contracts	2,034,220	3.0	10,123,612	13.9	Current	913,589	1.3	1,674,957	2.3
Investments in construction joint ventures	540,194	0.8	328,071	0.4	Deferred	885,701	1.3	1,827,937	2.5
Other current assets	2,571,509	3.8	1,312,375	1.8	Total income taxes	1,799,290	2.7	3,502,894	4.8
					Other current liabilities	970,315	1.4	1,231,176	1.7
Total current assets	54,578,958	80.6	57,002,613	78.0	Total current liabilities	40,588,329	59.9	46,665,918	63.9
Property, plant and equipment	12,544,137	18.5	23,495,874	32.2					
Less accumulated depreciation	(5,444,921)	8.0	(10,880,838)	14.9	Long-term debt, excluding current portion	9,137,873	13.5	11,615,198	15.9
					Deferred income taxes	376,026	0.6	0	0.0
Property, plant and equipment, net	7,099,215	10.5	12,615,036	17.3	Other	125,805	0.2	817,338	1.1
Other assets	5,967,945	8.8	3,423,754	4.7	Minority interests	1,268,038	1.9	46,348	0.1
					Total liabilities	51,494,070	76.1	59,144,802	81.0
Intangible assets	49,133	0.1	0	0.0	Net worth				
					Stock, par value	634,429	0.9	509,726	0.7
					Additional paid-in capital	4,019,117	5.9	2,045,868	2.9
					Retained earnings	12,449,572	18.4	16,974,748	23.2
					Treasury stock	(903,994)	1.3	(5,673,761)	7.8
					Total net worth	16,199,131	23.9	13,896,601	19.0
Total assets	$67,693,201	100.0%	$73,041,403	100.0%	Total liabilities and net worth	$67,693,201	100.0%	$73,041,403	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$177,145,773	94.9%	$178,317,447	97.0%
Other revenue	9,497,568	5.1	5,557,858	3.0
Total revenue	186,643,341	100.0	183,875,306	100.0
Contract cost	(152,527,042)	81.7	(165,914,150)	90.2
Other cost	(4,287,828)	2.3	(4,457,563)	2.4
Total cost	(156,814,869)	84.0	(170,371,713)	92.7
Gross Profit	29,828,472	16.0	13,503,593	7.3
Selling, general and administrative expenses	(23,718,218)	12.7	(7,591,569)	4.1
Interest income	1,333,293	0.7	N/A	N/A
Interest expense	(1,642,489)	0.9	N/A	N/A
Other income (expense), net	(601,072)	0.3	(537,287)	0.3
Net earnings (loss) before taxes	5,199,985	2.8	5,374,737	2.9
Income taxes	(2,068,537)	1.1	(1,174,957)	0.6
Net earnings (loss)	$3,131,448	1.7%	$4,199,780	2.3%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	14
1989	12

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.3	1.2
Quick Ratio	0.9	0.8
Days of Cash	16.9	11.3
Work. Cap. Turnover	13.3	17.8
Profitability Ratios		
Return on Assets	4.6%	5.7%
Return on Equity	19.3%	30.2%
Times Interest Earned	4.2	4.3
Leverage Ratios		
Debt to Equity	3.2	4.3
Revenue to Equity	11.5	13.2
Asset Turnover	2.8	2.5
Fixed Asset Ratio	43.8%	90.9%
Equity to G & A Expenses	0.7	1.8
Underbillings to Equity	14.9%	72.9%
Average Backlog to Equity	14.7	27.5
Average Backlog to Working Capital	16.9	31.7
Average Months in Backlog	15.3	9.9
Efficiency Ratios		
Days in Accounts Receivable	56.5	58.0
Days in Inventory	25.5	20.2
Days in Accounts Payable	44.3	53.1
Operating Cycle	54.6	38.3

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SPECIAL CLASSIFICATIONS

SPECIAL CLASSIFICATIONS

FOREWORD

The 1990 survey resulted in 795 contractors participating. Of that total, 695 or 87% presented financial data. The financial data was classified into five types of contractors (Industrial and Nonresidential; Heavy and Highway; Single Family and Residential; Specialty Trades; and Other). Also, the geographic locations and estimated percentages of work performed in each were provided. This data was presented in six regions (Northeast; Southeast; Midwest; Southwest; West; and Farwest). To determine whether a contractor's financial data would be included in a region as representative of the contractors performing work in that region a criteria for inclusion was established. The criteria used was whether the company performed 33% or more of its annual contract volume in a given region. If so, that contractor's financial data was included in the regional composite financial data. Thus, it was possible for a company to be included in up to three geographic regions. However, using the aforementioned criteria it was possible for a company to be excluded from all geographic regions if no more than 33% of its annual volume was performed in a region. There were 14 companies that did not meet the criteria for inclusion in any geographic region. These 14 companies are included in this section of the survey as National Companies. Additionally, financial data for the 29 companies that indicated they were SEC registrants is included as Public Companies. Finally, 15 companies indicated they were either minority owned companies or women owned companies. These companies' composite financial data is included as Minority Business Enterprises.

TABLE OF CONTENTS **PAGE**

National Companies **208**
Public Companies **210**
Minority owned companies **212**
Foreign owned Companies **214**
Companies that perform work in foreign countries **216**

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SELECTED FINANCIAL DATA

National Companies

	All Companies	National Companies
Number of Companies	695	14
Assets	$25,141	279,408
Liabilities	17,477	210,686
Net Worth	7,664	68,722
% Net Worth to Assets	30.5	24.6
Revenues	66,568	835,616
Gross Profit	5,951	34,228
% Gross Profit	8.9	4.1
G&A Expenses	4,558	28,201
% to Revenue	6.8	3.4
Net Income	962	2,697
% Net Income	1.4	0.3
Current Ratio	1.4	1.3
Return on Assets (%)	3.8	1.0
Return on Equity (%)	12.6	3.9

Note: All $ Amounts are in Thousands.

Discussion and Analysis

The fourteen large companies included in the National category have a composite balance sheet which is approximately 11 times larger than the overall composite balance sheet for all companies. Revenues for the National companies are 12 times the composite revenues for all companies in the survey. The reported revenues in 1990 almost double the amount reported in the 1989 survey.

The National Companies have improved upon their G & A expenses in 1990. In 1989, G & A expenses were ten times the overall composite G & A expenses whereas, in 1990 G & A expenses are 6 times the overall composite amount. This has resulted in a positive net income percentage of .3% in 1990 compared with a percentage of -1.9% in 1989. Although still below the overall composite return on assets (1.0) and return on equity (3.9) have greatly improved from 1989.

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NATIONAL COMPANIES
COMPOSITE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$26,042,167	9.3%	$20,819,446	10.9%
Marketable securities and short-term investments	173,230	0.1	2,008,117	1.0
Receivables:				
Contract receivables currently due	54,761,329	19.6	52,104,772	27.2
Retainages on contracts	32,231,238	11.5	12,881,856	6.7
Unbilled work	10,649,955	3.8	N/A	N/A
Other receivables	7,307,553	2.6	9,039,065	4.7
Less allowance for doubtful accounts	(418,483)	0.1	(162,201)	0.1
Total receivables, net	104,531,590	37.4	73,863,491	38.5
Inventories	6,329,433	2.3	4,964,946	2.6
Costs and recognized earnings in excess of billings on uncompleted contracts	31,837,528	11.4	21,720,305	11.3
Investments in construction joint ventures	2,078,426	0.7	3,143,495	1.6
Other current assets	14,866,522	5.3	10,512,736	5.5
Total current assets	185,858,897	66.5	137,032,537	71.5
Property, plant and equipment	93,574,418	33.5	59,338,169	31.0
Less accumulated depreciation	(28,659,089)	10.3	(27,442,818)	14.3
Property, plant and equipment, net	64,915,329	23.2	31,895,353	16.6
Other assets	27,270,269	9.8	18,046,446	9.4
Intangible assets	1,363,474	0.5	4,676,334	2.4
Total assets	$279,407,970	100.0%	$191,650,669	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$3,538,749	1.3%	$3,058,657	1.6%
Accounts payable				
Trade, including currently due subcontractors	52,556,337	18.8	55,846,895	29.1
Subcontractor retainages	26,355,487	9.4	7,947,836	4.1
Other	1,445,238	0.5	49,966	0.0
Total accounts payable	80,457,061	28.8	63,844,697	33.3
Accrued expenses	28,343,310	10.1	13,009,808	6.8
Billings in excess of costs and recognized earnings on uncompleted contracts	22,009,340	7.9	15,297,244	8.0
Income taxes				
Current	1,776,846	0.6	1,369,265	0.7
Deferred	242,369	0.1	1,743,053	0.9
Total income taxes	2,019,215	0.7	3,112,317	1.6
Other current liabilities	9,877,511	3.5	15,811,812	8.1
Total current liabilities	146,245,186	52.3	113,934,335	59.4
Long-term debt, excluding current portion	14,408,627	5.2	25,317,874	13.2
Deferred income taxes	7,781,051	2.8	8,478,364	4.4
Other	7,582,036	2.7	5,267,525	2.7
Minority interests	34,659,198	12.4	11,465	0.0
Total liabilities	210,686,097	75.4	153,009,562	79.8
Net worth				
Stock, par value	4,595,231	1.6	5,160,010	2.7
Additional paid-in capital	46,794,268	16.7	14,556,199	7.6
Retained earnings	19,579,044	7.0	22,907,314	11.9
Treasury stock	(2,246,668)	0.8	(3,883,317)	2.0
Total net worth	68,721,872	24.6	38,641,107	20.2
Total liabilities and net worth	$279,407,970	100.0%	$191,650,669	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$767,876,980	91.9%	$402,798,725	93.2%
Other revenue	67,738,589	8.1	29,299,909	6.8
Total revenue	835,615,569	100.0	432,098,634	100.0
Contract cost	(738,737,287)	88.4	(399,274,914)	92.4
Other cost	(62,649,958)	7.5	(20,490,273)	4.7
Total cost	(801,387,245)	95.9	(419,765,186)	97.1
Gross Profit	34,228,324	4.1	12,333,448	2.9
Selling, general and administrative expenses	(28,200,758)	3.4	(41,448,740)	9.6
Interest income	3,915,681	0.5	N/A	N/A
Interest expense	(835,716)	0.1	N/A	N/A
Other income (expense), net	1,093,393	0.1	11,835,323	2.7
Net earnings (loss) before taxes	10,200,924	1.2	(17,279,969)	4.0
Income taxes	(7,503,504)	0.9	9,264,616	2.1
Net earnings (loss)	$2,697,420	0.3%	(8,015,353)	1.9%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	14
1989	16

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.3	1.2
Quick Ratio	0.9	0.8
Days of Cash	11.2	17.3
Work. Cap. Turnover	21.1	18.7
Profitability Ratios		
Return on Assets	1.0%	-4.2%
Return on Equity	3.9%	-20.7%
Times Interest Earned	13.2	4.0
Leverage Ratios		
Debt to Equity	3.1	4.0
Revenue to Equity	12.2	11.2
Asset Turnover	3.0	2.3
Fixed Asset Ratio	94.5%	82.5%
Equity to G & A Expenses	2.4	0.9
Underbillings to Equity	61.8%	56.2%
Average Backlog to Equity	20.3	10.8
Average Backlog to Working Capital	35.2	11.9
Average Months in Backlog	20.0	5.7
Efficiency Ratios		
Days in Accounts Receivable	45.0	61.5
Days in Inventory	2.8	4.3
Days in Accounts Payable	36.1	54.8
Operating Cycle	23.0	28.4

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SELECTED FINANCIAL DATA

Public Companies

	All Companies	Public Companies
Number of Companies	695	29
Assets	$25,141	188,758
Liabilities	17,477	133,652
Net Worth	7,664	55,106
% Net Worth to Assets	30.5	29.2
Revenues	66,568	504,699
Gross Profit	5,951	29,448
% Gross Profit	8.9	5.8
G&A Expenses	4,558	19,325
% to Revenue	6.8	3.8
Net Income	962	8,310
% Net Income	1.4	1.6
Current Ratio	1.4	1.3
Return on Assets (%)	3.8	4.4
Return on Equity (%)	12.6	15.1

Note: All $ Amounts are in Thousands.

Discussion and Analysis

The 29 public owned companies represented in the survey have a composite balance sheet which is approximately 7 times that for all companies included in the survey. Net worth is approximately 7 times greater but is a lower percentage of assets. Revenues are approximately 7 times greater than the overall composite for all companies, but gross profit percentage (5.8%) is significantly less than the overall composite gross profit percentage (8.9%).

The public companies had a significant upswing in profits this year. The bottom line went from a $5.9 million loss in 1989 to an $8.3 million net income in 1990. Comparably, the net income percentage rose from -2% in 1989 to 1.6% in 1990. Improvement was also noted in the return on assets (4.4%) and return on equity (15.1%) which are both above the overall composite.

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PUBLIC COMPANIES
COMPOSITE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$13,698,104	7.3%	$10,895,351	8.5%
Marketable securities and short-term investments	950,233	0.5	779,251	0.6
Receivables:				
Contract receivables currently due	38,094,630	20.2	37,595,654	29.3
Retainages on contracts	17,418,007	9.2	7,559,873	5.9
Unbilled work	7,921,646	4.2	N/A	N/A
Other receivables	9,387,395	5.0	8,671,032	6.7
Less allowance for doubtful accounts	(321,388)	0.2	(562,012)	0.4
Total receivables, net	72,500,290	38.4	53,264,547	41.5
Inventories	10,330,999	5.5	3,980,647	3.1
Costs and recognized earnings in excess of billings on uncompleted contracts	16,414,291	8.7	11,081,100	8.6
Investments in construction joint ventures	2,060,658	1.1	2,129,663	1.7
Other current assets	9,792,973	5.2	7,585,731	5.9
Total current assets	125,747,547	66.6	89,716,289	69.8
Property, plant and equipment	69,479,905	36.8	43,717,733	34.0
Less accumulated depreciation	(23,579,449)	12.5	(20,124,806)	15.7
Property, plant and equipment, net	45,900,456	24.3	23,592,927	18.4
Other assets	16,998,659	9.0	12,126,488	9.4
Intangible assets	111,459	0.1	3,064,019	2.4

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$3,431,944	1.8%	$3,015,666	2.3%
Accounts payable				
Trade, including currently due subcontractors	30,220,090	16.0	33,350,739	26.0
Subcontractor retainages	14,466,561	7.7	2,114,642	1.6
Other	4,093,393	2.2	104,581	0.1
Total accounts payable	48,780,074	25.9	35,569,962	27.7
Accrued expenses	18,906,819	10.0	10,625,326	8.3
Billings in excess of costs and recognized earnings on uncompleted contracts	14,087,992	7.5	12,637,208	9.8
Income taxes				
Current	1,142,568	0.6	404,983	0.3
Deferred	189,773	0.1	580,497	0.5
Total income taxes	1,332,442	0.7	985,480	0.8
Other current liabilities	7,023,739	3.7	12,352,700	9.6
Total current liabilities	93,562,910	49.6	75,185,722	58.5
Long-term debt, excluding current portion	10,144,754	5.4	17,681,385	13.8
Deferred income taxes	5,108,039	2.7	5,234,567	4.1
Other	7,986,985	4.2	6,094,310	4.7
Minority interests	16,836,942	8.9	1,376	0.0
Total liabilities	133,651,630	70.8	104,197,360	81.1
Net worth				
Stock, par value	5,296,978	2.8	4,705,534	3.7
Additional paid-in capital	32,065,123	17.0	12,104,832	9.4
Retained earnings	21,621,826	11.5	10,696,231	8.3
Treasury stock	(3,877,435)	2.1	(3,204,184)	2.5
Total net worth	55,106,491	29.2	24,302,423	18.9
Total assets	$188,758,121	100.0%	$128,499,723	100.0%
Total liabilities and net worth	$188,758,121	100.0%	$128,499,723	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$458,050,178	90.8%	$270,915,459	92.9%
Other revenue	46,639,346	9.2	20,638,052	7.1
Total revenue	504,688,524	100.0	291,543,512	100.0
Contract cost	(436,501,398)	86.5	(263,971,495)	90.5
Other cost	(38,749,226)	7.7	(13,401,125)	4.6
Total cost	(475,250,622)	94.2	(277,372,621)	95.1
Gross Profit	29,447,902	5.8	14,170,891	4.9
Selling, general and administrative expenses	(19,324,631)	3.8	(27,574,105)	9.5
Interest income	2,946,991	0.6	N/A	N/A
Interest expense	(1,379,502)	0.3	N/A	N/A
Other income (expense), net	426,612	0.1	2,943,197	1.0
Net earnings (loss) before taxes	12,317,372	2.4	(10,460,017)	3.6
Income taxes	(4,006,904)	0.8	4,518,630	1.5
Net earnings (loss)	$8,310,467	1.6%	(5,941,387)	2.0%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	29
1989	22

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.3	1.2
Quick Ratio	0.9	0.9
Days of Cash	9.8	13.5
Work. Cap. Turnover	15.7	20.1
Profitability Ratios		
Return on Assets	4.4%	-4.6%
Return on Equity	15.1%	-24.4%
Times Interest Earned	9.9	5.5
Leverage Ratios		
Debt to Equity	2.4	4.3
Revenue to Equity	9.2	12.0
Asset Turnover	2.7	2.3
Fixed Asset Ratio	83.3%	97.1%
Equity to G & A Expenses	2.9	0.9
Underbillings to Equity	44.2%	45.0%
Average Backlog to Equity	19.7	13.9
Average Backlog to Working Capital	33.7	26.5
Average Months in Backlog	25.8	9.1
Efficiency Ratios		
Days in Accounts Receivable	51.7	65.8
Days in Inventory	7.8	5.2
Days in Accounts Payable	37.0	48.2
Operating Cycle	32.4	20.2

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SELECTED FINANCIAL DATA

Minority Companies

	All Companies	Minority Companies
Number of Companies	695	15
Assets	$25,141	7,352
Liabilities	17,477	4,596
Net Worth	7,664	2,756
% Net Worth to Assets	30.5	37.5
Revenues	66,568	19,347
Gross Profit	5,951	2,025
% Gross Profit	8.9	10.5
G&A Expenses	4,558	1,530
% to Revenue	6.8	7.9
Net Income	962	471
% Net Income	1.4	2.4
Current Ratio	1.4	1.3
Return on Assets (%)	3.8	6.4
Return on Equity (%)	12.6	17.1

Note: All $ Amounts are in Thousands.

Discussion and Analysis

The 15 companies that indicated they were Minority Business Enterprises have a composite balance sheet which is approximately 30% the size of the composite balance sheet for all companies. Revenues are approximately 30% of the composite revenue for all companies. Gross profit percentage is slightly higher (10.5%) than the overall composite (8.9%). Net income percentage is also slightly higher (2.4%) than the overall composite (1.4%).

In comparison to 1989, the minority companies had a more profitable year in 1990 with net income of $471,000 and net income percentage of 2.4%. These amounts appear to be even better when considering that revenues were larger in 1989 ($25 million) than in 1990 ($19 million).

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MINORITY BUSINESS ENTERPRISES
COMPOSITE

BALANCE SHEET

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current assets				
Cash and cash equivalents	$434,013	5.9%	$813,585	10.8%
Marketable securities and short-term investments	230,764	3.1	21,339	0.3
Receivables:				
Contract receivables currently due	2,849,514	38.8	3,347,033	44.6
Retainages on contracts	729,852	9.9	962,477	12.8
Unbilled work	33,114	0.5	N/A	N/A
Other receivables	203,409	2.8	135,901	1.8
Less allowance for doubtful accounts	(11,027)	0.1	(49,535)	0.7
Total receivables, net	3,804,862	51.8	4,395,876	58.6
Inventories	79,945	1.1	205,075	2.7
Costs and recognized earnings in excess of billings on uncompleted contracts	562,322	7.6	516,723	6.9
Investments in construction joint ventures	49,611	0.7	93,328	1.2
Other current assets	177,905	2.4	348,878	4.6
Total current assets	5,339,422	72.6	6,394,803	85.2
Property, plant and equipment	3,085,440	42.0	2,176,329	29.0
Less accumulated depreciation	(2,480,465)	33.7	(1,460,502)	19.5
Property, plant and equipment, net	604,976	8.2	715,827	9.5
Other assets	568,485	7.7	393,537	5.2
Intangible assets	839,144	11.4	3,593	0.0
Total assets	$7,352,026	100.0%	$7,507,760	100.0%

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Current liabilities				
Current portion of long-term debt	$214,790	2.9%	$187,134	2.5%
Accounts payable				
Trade, including currently due subcontractors	1,982,000	27.0	2,318,323	30.9
Subcontractor retainages	279,866	3.8	537,736	7.2
Other	30,937	0.4	25,951	0.3
Total accounts payable	2,292,804	31.2	2,881,990	38.4
Accrued expenses	438,004	6.0	438,086	5.8
Billings in excess of costs and recognized earnings on uncompleted contracts	761,894	10.4	700,961	9.3
Income taxes				
Current	60,331	0.8	54,234	0.7
Deferred	128,769	1.8	205,056	2.7
Total income taxes	189,099	2.6	259,290	3.5
Other current liabilities	60,352	0.8	70,784	0.9
Total current liabilities	3,956,943	53.8	4,538,2[illegible]	60.4
Long-term debt, excluding current portion	495,134	6.7	488,280	6.5
Deferred income taxes	56,790	0.8	25,406	0.3
Other	52,066	0.7	3,310	0.0
Minority interests	35,328	0.5	0	0.0
Total liabilities	4,596,293	62.5	5,055,241	67.3
Net worth				
Stock, par value	427,010	5.8	252,096	3.4
Additional paid-in capital	151,821	2.1	152,265	2.0
Retained earnings	2,483,506	33.8	2,230,237	29.7
Treasury stock	(308,603)	4.2	(182,078)	2.4
Total net worth	2,755,733	37.5	2,452,520	32.7
Total liabilities and net worth	$7,352,026	100.0%	$7,507,760	100.0%

STATEMENT OF EARNINGS

	1990 Participants		1989 Participants	
	Amount	Percent	Amount	Percent
Contract revenue	$18,588,511	96.1%	$24,728,559	98.1%
Other revenue	758,857	3.9	482,010	1.9
Total revenue	19,347,368	100.0	25,210,569	100.0
Contract cost	(16,644,822)	86.0	(22,205,278)	88.1
Other cost	(677,911)	3.5	(702,123)	2.8
Total cost	(17,322,734)	89.5	(22,907,401)	90.9
Gross Profit	2,024,634	10.5	2,303,168	9.1
Selling, general and administrative expenses	(1,529,967)	7.9	(2,088,174)	8.3
Interest income	71,983	0.4	N/A	N/A
Interest expense	(81,615)	0.4	N/A	N/A
Other income (expense), net	105,278	0.5	104,607	0.4
Net earnings (loss) before taxes	590,313	3.1	319,602	1.3
Income taxes	(119,351)	0.6	(75,428)	0.3
Net earnings (loss)	$470,962	2.4%	$244,174	1.0%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	15
1989	19

Financial Ratios

Liquidity Ratios	1990 Participants	1989 Participants
Current Ratio	1.3	1.4
Quick Ratio	1.1	1.2
Days of Cash	8.1	11.6
Work. Cap. Turnover	14.0	13.8
Profitability Ratios		
Return on Assets	6.4%	3.3%
Return on Equity	17.1%	10.0%
Times Interest Earned	8.2	5.6
Leverage Ratios		
Debt to Equity	1.7	2.1
Revenue to Equity	7.0	10.3
Asset Turnover	2.6	3.4
Fixed Asset Ratio	22.0%	29.2%
Equity to G & A Expenses	1.8	1.2
Underbillings to Equity	21.6%	21.1%
Average Backlog to Equity	5.2	6.4
Average Backlog to Working Capital	10.4	10.5
Average Months in Backlog	8.9	7.5
Efficiency Ratios		
Days in Accounts Receivable	70.8	62.8
Days in Inventory	1.7	3.2
Days in Accounts Payable	47.6	45.3
Operating Cycle	32.9	32.3

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SELECTED FINANCIAL DATA

Foreign Owned Contractors

	All Companies	Foreign Owned Companies
Number of Companies	695	24
Assets	$25,141	88,858
Liabilities	17,477	65,886
Net Worth	7,664	22,971
% Net Worth to Assets	30.5	25.9
Revenues	66,568	205,965
Gross Profit	5,951	21,147
% Gross Profit	8.9	10.3
G&A Expenses	4,558	16,698
% to Revenue	6.8	8.1
Net Income	962	1,653
% Net Income	1.4	0.8
Current Ratio	1.4	1.5
Return on Assets (%)	3.8	1.9
Return on Equity (%)	12.6	7.2

Note: All $ Amounts are in Thousands.

Discussion and Analysis

Due to the increased response in 1990, the category of Foreign Owned Companies was added to the 1990 survey results.

The respondents to this category are fairly large with over three times the revenues and assets of the overall composite. These 24 companies have a favorable gross profit percentage (10.3%) but also a large G & A percentage (8.1%) resulting in a net income percentage of .8% which is lower than the overall composite. The lower net income is also apparent in the lower return on assets (1.9%) and return on equity (7.2%).

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FOREIGN OWNED COMPANIES
COMPOSITE

BALANCE SHEET

	1990 Participants			1990 Participants	
	Amount	Percent		Amount	Percent
Current assets			Current liabilities		
Cash and cash equivalents	$3,713,488	4.2%	Current portion of long-term debt	$1,310,339	1.5%
Marketable securities and short-term investments	2,819,900	3.2	Accounts payable		
Receivables:			Trade, including currently due subcontractors	19,616,084	22.1
Contract receivables currently due	28,153,183	31.7	Subcontractor retainages	1,720,443	1.9
Retainages on contracts	8,328,011	9.4	Other	4,572,255	5.1
Unbilled work	2,461,169	2.8			
Other receivables	1,561,334	1.8	Total accounts payable	25,917,782	29.2
Less allowance for doubtful accounts	(353,744)	0.4			
			Accrued expenses	3,888,933	4.4
Total receivables, net	40,169,954	45.2	Billings in excess of costs and recognized earnings on uncompleted contracts	8,055,309	9.1
Inventories	6,183,113	7.0	Income taxes		
Costs and recognized earnings in excess of billings on uncompleted contracts	3,748,849	4.2	Current	1,088,584	1.2
Investments in construction joint ventures	842,196	0.9	Deferred	475,642	0.5
Other current assets	3,392,039	3.8	Total income taxes	1,564,226	1.8
			Other current liabilities	1,211,330	1.4
Total current assets	60,869,438	68.5	Total current liabilities	41,948,120	47.2
Property, plant and equipment	28,552,760	32.1			
Less accumulated depreciation	(11,184,158)	12.6	Long-term debt, excluding current portion	11,023,158	12.4
			Deferred income taxes	1,082,940	1.2
Property, plant and equipment, net	17,368,622	19.5	Other	11,681,831	13.1
			Minority interests	170,280	0.2
Other assets	6,945,748	7.8	Total liabilities	65,886,329	74.1
Intangible assets	3,673,990	4.1	Net worth		
			Stock, par value	4,715,520	5.3
			Additional paid-in capital	9,751,457	11.0
			Retained earnings	8,517,106	9.6
			Treasury stock	(13,604)	0.0
			Total net worth	22,971,480	25.9
Total assets	$88,857,808	100.0%	Total liabilities and net worth	$88,857,808	100.0%

STATEMENT OF EARNINGS

	1990 Participants	
	Amount	Percent
Contract revenue	$200,443,940	97.3%
Other revenue	5,521,075	2.7
Total revenue	205,965,015	100.0
Contract cost	(180,255,349)	87.5
Other cost	(4,563,037)	2.2
Total cost	(184,818,386)	89.7
Gross Profit	21,146,630	10.3
Selling, general and administrative expenses	(16,698,471)	8.1
Interest income	1,320,680	0.6
Interest expense	(3,062,986)	1.5
Other income (expense), net	130,805	0.1
Net earnings (loss) before taxes	2,816,658	1.4
Income taxes	(1,164,063)	0.6
Net earnings (loss)	1,652,595	0.8%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	24
1989	0

Financial Ratios

Liquidity Ratios	1990 Participants
Current Ratio	1.5
Quick Ratio	1.1
Days of Cash	6.5
Work. Cap. Turnover	10.9
Profitability Ratios	
Return on Assets	1.9%
Return on Equity	7.2%
Times Interest Earned	1.9
Leverage Ratios	
Debt to Equity	2.9
Revenue to Equity	9.0
Asset Turnover	2.3
Fixed Asset Ratio	75.6%
Equity to G & A Expenses	1.4
Underbillings to Equity	27.0%
Average Backlog to Equity	7.3
Average Backlog to Working Capital	8.8
Average Months in Backlog	9.7
Efficiency Ratios	
Days in Accounts Receivable	70.2
Days in Inventory	12.0
Days in Accounts Payable	50.5
Operating Cycle	38.3

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SELECTED FINANCIAL DATA

Companies that perform work in foreign countries

	All Companies	Foreign Companies
Number of Companies	695	6
Assets	$25,141	4,739
Liabilities	17,477	3,444
Net Worth	7,664	1,295
% Net Worth to Assets	30.5	27.3
Revenues	66,568	19,576
Gross Profit	5,951	1,669
% Gross Profit	8.9	8.5
G&A Expenses	4,558	730
% to Revenue	6.8	3.7
Net Income	962	637
% Net Income	1.4	3.3
Current Ratio	1.4	1.3
Return on Assets (%)	3.8	13.4
Return on Equity (%)	12.6	44.8

Note: All $ Amounts are in Thousands.

Discussion and Analysis

Due to the increased response in 1990, the category of Foreign Companies was added to the 1990 survey results. This category relates to respondents that indicated over 33% of their annual contract volume was performed in foreign countries.

The six foreign companies responding appear to be smaller companies with only $19 million in revenues compared to the overall composite of $66 million. An important point is that the gross profit percentage is just below the overall composite percentage while the G & A expense percentage is approximately one-half the overall composite percentage. These two factors result in a net income percentage that is extremely favorable compared to the overall composite. The low G & A expense for Foreign Companies may be a result of companies not allocating home office G & A to the foreign contracts.

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FOREIGN REGION
COMPOSITE

BALANCE SHEET

	1990 Participants	
	Amount	Percent
Current assets		
Cash and cash equivalents	$532,627	11.2%
Marketable securities and short-term investments	170,220	3.6
Receivables:		
Contract receivables currently due	2,620,315	55.3
Retainages on contracts	338,692	7.1
Unbilled work	71,780	1.5
Other receivables	213,780	4.5
Less allowance for doubtful accounts	(24,163)	0.5
Total receivables, net	3,220,404	68.0
Inventories	23,902	0.5
Costs and recognized earnings in excess of billings on uncompleted contracts	193,379	4.1
Investments in construction joint ventures	42,193	0.9
Other current assets	47,032	1.0
Total current assets	4,229,956	89.3
Property, plant and equipment	875,187	18.5
Less accumulated depreciation	(431,230)	9.1
Property, plant and equipment, net	443,957	9.4
Other assets	65,080	1.4
Intangible assets	0	0.0
Total assets	$4,738,992	100.0%

	1990 Participants	
	Amount	Percent
Current liabilities		
Current portion of long-term debt	$172,055	3.6%
Accounts payable		
Trade, including currently due subcontractors	1,684,081	35.7
Subcontractor retainages	201,782	4.3
Other	95,034	2.0
Total accounts payable	1,990,877	42.0
Accrued expenses	181,422	3.8
Billings in excess of costs and recognized earnings on uncompleted contracts	216,724	4.6
Income taxes		
Current	5,306	0.1
Deferred	7,249	0.2
Total income taxes	12,556	0.3
Other current liabilities	689,831	14.6
Total current liabilities	3,263,465	68.9
Long-term debt, excluding current portion	133,379	2.8
Deferred income taxes	46,976	1.0
Other	0	0.0
Minority interests	0	0.0
Total liabilities	3,443,819	72.7
Net worth		
Stock, par value	526,139	11.1
Additional paid-in capital	61,236	1.3
Retained earnings	707,800	14.9
Treasury stock	0	0.0
Total net worth	1,295,174	27.3
Total liabilities and net worth	$4,738,992	100.0%

STATEMENT OF EARNINGS

	1990 Participants	
	Amount	Percent
Contract revenue	$18,603,441	95.0%
Other revenue	972,617	5.0
Total revenue	19,576,057	100.0
Contract cost	(16,784,246)	85.7
Other cost	(1,123,278)	5.7
Total cost	(17,907,524)	91.5
Gross Profit	1,668,534	8.5
Selling, general and administrative expenses	(729,754)	3.7
Interest income	32,812	0.2
Interest expense	0	0.0
Other income (expense), net	(137,043)	0.7
Net earnings (loss) before taxes	834,549	4.3
Income taxes	(197,456)	1.0
Net earnings (loss)	$637,093	3.3%

NUMBER OF PARTICIPANTS

Survey Year	Number
1990	6
1989	0

Financial Ratios

Liquidity Ratios	1990 Participants
Current Ratio	1.3
Quick Ratio	1.2
Days of Cash	9.8
Work. Cap. Turnover	18.0
Profitability Ratios	
Return on Assets	13.4%
Return on Equity	44.8%
Times Interest Earned	N/A
Leverage Ratios	
Debt to Equity	2.3
Revenue to Equity	13.8
Asset Turnover	4.1
Fixed Asset Ratio	31.2%
Equity to G & A Expenses	1.9
Underbillings to Equity	18.7%
Average Backlog to Equity	8.0
Average Backlog to Working Capital	10.5
Average Months in Backlog	7.0
Efficiency Ratios	
Days in Accounts Receivable	59.2
Days in Inventory	0.5
Days in Accounts Payable	38.6
Operating Cycle	30.9

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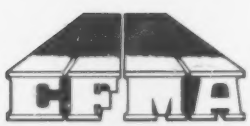

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